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Organizational matters

Report of the second regular session 2017 (5 to 11 September 2017, New York)

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I. Organizational matters

1. The second regular session 2017 of the Executive Board of UNDP, UNFPA and UNOPS was held at United Nations Headquarters in New York from 5 to 11 September 2017.

2. The Executive Board adopted the agenda and workplan for its second regular session 2017 (DP/2017/L.3), and adopted the report of the annual session 2017 (DP/2017/28). The Board approved the draft annual workplan for 2018 (DP/2017/CRP.2) and approved the tentative workplan for the first regular session 2018. Both documents will be presented for adoption of the Board at the first regular session 2018. The Board has also approved the tentative workplan for the special session 2017 (28 November 2017).

3. Decisions adopted by the Executive Board in 2017 will appear in document DP/2018/3, which will be available on the Executive Board website.

4. The Executive Board agreed in decision 2017/29 to the following schedule for future sessions of the Executive Board in 2018:

First regular session:	22 to 26 January 2018
Annual session:	4 to 8 June 2018
Second regular session:	4 to 7 September 2018

UNDP segment

II. & IV. Statement by the Administrator and UNDP strategic plan, 2018-2021, including financial, budgetary and administrative matters

Statement by the Administrator

5. In his first address to the Executive Board (available on the Executive Board website) as Administrator of UNDP, Mr. Achim Steiner drew attention to constantly evolving challenges and opportunities for UNDP in advancing the global development agenda. Achieving the 2030 Agenda for Sustainable Development and the Sustainable Development Goals would be complex and demanded both a 'truly integrated approach' to leave no one behind as well as a new set of skills to identify and manage associated risks. He pointed to mega-trends that could derail efforts, such as persistent poverty, rising inequalities, rapid population growth, migration, urbanization, environmental degradation and climate change – in addition to shifting trends in development cooperation and financing for development.

6. UNDP would respond to those challenges with high-quality, integrated policies and programmes, tailored to country realities and conducive to achieving the Goals, while working closely with partners in the United Nations Development Group (UNDG) to make the United Nations development system fit-for-purpose. UNDP shared the reform vision of the Secretary-General to make the United Nations better at working together to deliver results for people. The Executive Board played an indispensable role in helping UNDP reach its full potential and, as such, the organization would ensure the Board received the information and evidence it needed to provide strategic guidance. The Administrator looked forward to a strong partnership with the Board based on honest, open, continuous dialogue in mutual respect and support.

7. Turning to the strategic plan, 2018-2021, the Administrator noted that its development was moving quickly, thanks to strong Board feedback and engagement. The new plan's preparation was guided by the 2016 quadrennial comprehensive policy review of operational activities for development of the United Nations system (A/RES/71/243), benefitted from the independent joint evaluation of the strategic plan and global and regional programmes, 2014-2017

(DP/2017/32), and the joint assessment of the institutional effectiveness of UNDP (DP/2017/21). UNDP was committed to taking on evaluation recommendations, including those related to gender equality and South-South cooperation. The new plan sought to optimize UNDP capacity to help countries achieve the 2030 Agenda, and respond effectively to emerging needs in an increasing turbulent world – all focused on reaching the poorest and the marginalized. Maximizing its comparative advantages and collective capacity of the United Nations system, UNDP would tailor its response to diverse country demands, be they least developed countries (LDCs), middle-income countries (MICs) or small-island developing states (SIDS).

8. UNDP would build on its main offers: extensive country presence; long-standing, trusted relationships with governments and partners; and unique ability to develop and help countries implement multisectoral, integrated development solutions. Working through two main entry points – country-level Sustainable Development Goals support platforms and global development and advisory implementation services – UNDP would deliver development solutions for diverse contexts, helping countries to pursue development pathways of their choice, with the ultimate goal of achieving the Goals. Those included *signature development solutions*, aimed at demonstrating tangible progress towards achieving the Goals at country level. Each solution would aim to generate positive transformations to help countries achieve their goals against the 2030 Agenda.

9. The Administrator stressed that delivering the new plan required a financially viable business model and a UNDP fit-for-purpose. Regular (core) resources, however, continued to decline in relative and absolute terms, while cost recovery did not fully cover real costs. The Administrator had begun a systematic review of the UNDP business model to accelerate delivery of quality programmatic results for achieving the Goals and developing scenarios that would make UNDP financially sustainable. The review was inclusive, focused on partnerships and interagency collaboration, and expected to be completed in six to 12 months. He hoped the new strategic plan would give Member States the confidence to raise the level and predictability of core resources – a topic discussed in detail under the structured funding dialogue (item III).

10. In concluding, the Administrator underscored UNDP commitment to global development agendas, with delivering on the 2030 Agenda as the bedrock of its work. UNDP would continue to support governments in implementing the Goals, including through mainstreaming, acceleration and policy support (MAPS) missions. Furthermore, UNDP would support countries suffering from crisis and conflict, working to bridge the humanitarian-development divide and build resilience.

11. The Executive Board congratulated the new Administrator on his appointment and commended him for guiding UNDP in finalizing its new strategic plan and budget, 2018-2021, in close dialogue with Member States. Across the Board, delegations welcomed progress made in developing the new plan and were pleased to see that it: reflected their guidance, was firmly grounded in the 2030 Agenda, the Sustainable Development Goals and the 2016 quadrennial review, and shared the Secretary-General's reform vision to reposition the United Nations development system to deliver on the 2030 Agenda. They looked forward to adopting the new plan at the special session of the Board in November 2017.

12. Delegations welcomed the new plan's preliminary outline, which underscored the organization's mandate and comparative advantage in sustainable development, democratic governance, peacebuilding, and climate and disaster resilience, in support of its ultimate goals to eradicate poverty and reduce inequalities. They welcomed the focus on cross-cutting issues, such as gender equality, disaster risk reduction and early recovery. They were pleased with the new plan's focus on building and deepening partnerships across and outside the United Nations development system, and its system-wide perspective, with prevention at its core. They

welcomed the plan's inclusion of signature development solutions, and were pleased with the plan's common chapter among the four funds and programmes.

13. Many delegations highlighted the primacy of poverty eradication and reducing inequalities as the core of the UNDP mandate, focused on root causes and the need to focus on those left furthest behind and the marginalized. A number of delegations stressed that the new plan should position UNDP as a leader in public sector reform and institution-building, promoting peaceful and inclusive societies, and as key partner for climate and environment action in support of resilience. The importance of a human rights-based approach was highlighted and a number of delegations saw UNDP playing an ever-increasing role in bridging the humanitarian-development nexus.

14. Board members showed strong support for the resident coordinator system, and encouraged a realignment of resources to ensure the system's ability to deliver, while continuing cost-sharing with UNDG. They viewed resident coordinators and the resident coordinator system as the linchpin to delivering results at country level. A strong United Nations development system should showcase leadership, efficiency, value for money, accountability, transparency and performance. Other delegations noted, in reference to the Secretary-General's reform agenda, that reform of the resident coordinator system should avoid disrupting the system's efficiency and delivery.

15. A group of delegations underscored the importance of addressing the special needs of MICs in a comprehensive, integral manner, focused on multidimensional challenges. They stressed the need to develop criteria that went beyond income per capita to reflect the multidimensional nature of present and future challenges. The group called for open dialogue on 'development in transition', including a new approach to country graduation policies and tailored solutions for countries based on individual vulnerabilities. To sustain their gains, MICs required better exchange of experiences, improved coordination and more focused support from the United Nations system. The group urged the United Nations development system to develop a comprehensive system-wide, long-term strategy to facilitate sustainable development cooperation and coordinated support to MICs, in accordance with the quadrennial review.

16. A number of delegations called on UNDP to continue focusing on the special circumstances faced by small island development states by addressing the decline in its core funding, targeting new partnerships and developing a new resource mobilization strategy. They appealed to UNDP to increase predictable, long-term funding to SIDS, which was not a request to transfer, modify or decrease funding from other regions or groups, especially LDCs, but rather for increased engagement and delivery of services and programmes. Small-island developing states, along with MICs and LDCs, stressed the importance of national ownership and leadership and benefits of South-South cooperation. Other delegations commended UNDP for close collaboration with Member States in preparing strong subregional programme documents.

17. Across the board, pointing to the annual review of the financial situation 2016 (DP/2017/30), delegations continued to express deep concern with the ongoing decline in core resources and strongly urged Member States, in a position to do so, to adhere to funding commitments, increase funding to core and make predictable, multi-year, non-earmarked contributions – the only way to guarantee UNDP ongoing universal presence and impartiality. Some delegations requested that UNDP develop a plan of action to address the core resource situation. Others sought a clearer view of how UNDP planned to move away from a project-driven funding structure towards a more flexible and transformative approach. They welcomed the structured funding dialogues as a tool to improving the correlation of resources to results. Board members spoke to the importance of funding LDCs, drawing attention to commitments made in the Addis Ababa Action Agenda. Delegations again encouraged UNDP to explore incentives and mechanisms to broaden its donor base.

18. In response, the Administrator, UNDP, stressed the need to reflect on the evolving development context when discussing the strategic plan. The lessons of development, both global and national, pointed to the need for flexibility in transitioning to a new approach. A key challenge was pursuing clarity in planning while adapting to changing development conditions. While affirming the importance of accountability through planning, monitoring and evaluating, he drew attention to the challenge of measuring performance, efficiency and effectiveness based on appropriate metrics.

19. The Administrator assured Board members of UNDP commitment to promoting gender equality and women's empowerment, including in collaboration with the United Nations Entity for Gender and the Empowerment of Women (UN-Women). UNDP partnered with numerous funds, programmes and specialized agencies, whether programmatically or through services, building on comparative advantages and complementarities. The UNDP proposed global development advisory and implementation services platform was grounded on the premise that UNDP was not only connected to a global network of expertise but a unique actor in delivering on the United Nations promise of development.

20. The Administrator stressed the importance of UNDP continued assistance to MICs, and underscored the role of UNDP in driving innovation for development. On funding, UNDP would pursue 'value propositions', which highlighted its value based on its development offerings, platforms and services, as a means of attracting donor funding. Reaffirming UNDP commitment to United Nations system reform, he stressed that the new strategic plan, 2018-2021, set for Board adoption in November 2017, would ensure enough flexibility to respond to Member States' decisions in that regard.

21. The Executive Board took note of the draft strategic plan, 2018-2021, and draft integrated results and resources framework, 2018-2021.

III. UNDP structured funding dialogue

22. The Director, Bureau of External Relations and Advocacy and the Director, Bureau for Management Services, UNDP, introduced the annual review of the financial situation (DP/2017/30), the detailed information relating to the annual review of the financial situation (DP/2017/30/Add.1) and the status of regular resources funding commitments to UNDP and its funds and programmes for 2017 and onwards (DP/2017/31), which they followed with a joint presentation.

23. Board members welcomed the funding dialogues and UNDP ambition to support governments in creating new modalities to foster partnerships, including with the private sector, in support of financing the Sustainable Development Goals. They underscored the importance of United Nations reform and a results-oriented, strategic, coordinated United Nations development system where funding was a reform driver. Funding catalysed the organizations to focus on mandates, and funding dialogues helped Member States make strategic decisions. UNDP should help Board members understand the kinds of funding required for different functions and address how to fund system-wide results, with incentives for United Nations organizations to collaborate. There was a request for details on efforts among UNDP, UNFPA, UNICEF and UN-Women to improve the structured funding dialogues, and information on how UNDP would connect resources to results in the integrated budget.

24. Delegations called on UNDP to carry out funding dialogues with individual Member States and non-state donors to build trust and foster a sense of shared responsibility for the implementation of the new strategic plan. UNDP should revitalize the dialogues as agency-facilitated intergovernmental processes, through which Member States took responsibility for the way they financed development results in the strategic plan. They suggested developing transparent online tools that allowed Member States to review the funding situation. There was a

call for UNDP to build on its experience with vertical funds, learn from the expertise of the United Nations Capital Development Fund (UNCDF) and develop its collaboration with the World Bank and other international financial institutions.

25. While recognizing UNDP successes in attracting earmarked funds for project implementation, delegations expressed concern with the ongoing decline in core resources and the organization's dependence on a limited number of donors. They stressed the importance of appropriate funding structures and modalities to support the new strategic plan, the need for sufficient, flexible, predictable core funding for the move to a more programmatic approach, and for UNDP to fulfil its normative role and policy function. They welcomed UNDP efforts to manage the consequences of falling core resources, including shielding programmatic budget lines, cutting management costs and reducing the share of core resources dedicated to institutional expenses. They welcomed the effort to ensure full cost-recovery and the increased number of countries contributing to core resources.

26. Delegations sought details on how UNDP could move towards a programme portfolio and suggestions on how funding could become more timely, efficient, predictable and better aligned. They welcomed ideas on how to reduce transaction costs by consolidating programmes and harmonizing donor requirements. They called on UNDP to develop a cost-sharing model that better reflected the cost of different interventions and capacity of partner countries to contribute. One delegation sought clarity on UNDP proposed 'strategic investments' and efforts to mobilize private sector resources. Another asked how the proposed funding approaches interfaced with proposed signature solutions. They noted with concern that UNDP had granted 12 waivers to cost recovery rates in 2016 and urged it to reduce that number in future.

27. In response, the Director, Bureau of External Relations and Advocacy, UNDP, noted that the strategic plan and integrated resources budget, 2018-2021, were the main tools through which UNDP addressed the core/non-core imbalance. UNDP sought to use the new plan to mobilize financing for delivery with Member States and partners. Key to efforts was persuading Member States to fund core resources at their highest levels from the previous 15 years, which would significantly raise core. UNDP sought to broaden its donor base to include greater diversity, including from programme countries and private sector. Interagency efforts had focused on how to ensure greater coherence in organizations' structured funding dialogues, while demonstrating joint results and work. The proposed funding compact of the Secretary-General was part of that effort. UNDP was pursuing innovative finance mechanisms with a growing group of private sector partners interested in addressing the Sustainable Development Goals. There were other approaches under discussions, such as combining core resources and government local office costs, stepping up intergovernmental pledging rounds, streamlining global projects, and promoting interagency resource mobilization efforts for United Nations pooled funds.

28. The Director, Bureau for Management Services, UNDP, highlighted that system-wide resource mobilization and funding efforts remained a challenge. The delivering-as-one pilot phase had demonstrated that coherence funds were powerful drivers of reform. The operational challenge was that United Nations development organizations were funded by Member States on an individual basis. There were two options to address that challenge: Member States could provide UNDP funding for interagency programming, with UNDP taking the lead, or they could place funding in UNDP-administered multi-partner trust funds available for the United Nations system. Those options and funding should be structured with clarity and incentives for joint work, with the same message at each Executive Board. She affirmed that for UNDP to reduce waivers to cost recovery rates it required Member States to abide by cost recovery agreements at country level; she floated the idea of differentiated cost recovery rates based on volume of spending. She said joint donor reporting was a more efficient way for UNDP to report back to Member States. UNDP was committed to transparency and ready to discuss details with Board members. It was actively working to provide Member States with real-time reporting and was

revamping its enterprise resource planning system to that end. She noted that supporting the financing of the Goals was a challenge UNDP was ready to take on to leverage bigger development financing. That included helping programme countries think strategically about their development investments so that they used financing for the Goals through their own national systems. In such cases, UNDP worked to ensure that private sector development-related initiatives were in line with the principles of the 2030 Agenda.

29. The Deputy Director, Bureau for Management Services, UNDP, pointed out that UNDP had managed to mitigate the impact of exchange rates on core resources, thanks to donors' regularly scheduled payments and good intelligence. The biggest challenge was related to non-core resources. Better predictability would make it easier for UNDP to hedge contributions. He appealed to Board members for greater predictability in non-core contributions. The proposed strategic investments remained a work in progress in the draft integrated budget, but UNDP would engage closely on that issue. On interagency contributions, UNDP was engaged in many joint programmes with United Nations organizations at global, regional and country levels. He pointed out that the concept of blended finance was linked to all signature solutions, including traditional financing from grants. It was important for UNDP to update its financing toolbox, which should include performance-based grants, funds and loans. UNDP sought to leverage its partnership with UNCDF to that end.

30. The Board adopted decision 2017/20 on the UNDP structured funding dialogue.

V. Evaluation

31. The Director, Independent Evaluation Office, UNDP, presented the evaluation of the UNDP strategic plan, global and regional programmes, 2014-2017 (DP/2017/32), and the Director, Bureau for Programme and Policy Support, UNDP, provided the management response (DP/2017/33).

32. A group of Board members welcomed the evaluation and management's commitment to acting on its recommendations. They requested that UNDP build on the findings when finalizing the strategic plan and integrated results framework, 2018-2021. They encouraged UNDP to use the Independent Evaluation Office as an instrument to improve organizational effectiveness and programme results, and reiterated the importance of sufficiently funded offices for independent evaluations, audits and investigations. While noting UNDP strengths and weaknesses, the group said the report could have provided more guidance on comparative advantages. The group expressed concern with the low percentage of core funding and variation in resource mobilization between results areas. They encouraged UNDP to develop a strategy to improve the core/non-core imbalance, including through dialogue with current and potential donors.

33. The group encouraged UNDP to develop programme models and funding to respond to differentiated country contexts, especially MICs, in its new business model. They noted that the evaluation pointed to the risk of developing a parallel system of government staff, and recommended that UNDP assess the risk of undermining civil services through long-term off-budget advisory support. They hoped the new strategic plan and business model would provide details on the role and funding of regional offices. Similarly, recognizing evaluation's support for enhanced UNDP thought leadership, they suggested UNDP define its complementarity with the World Bank, which had significant investments in research and policy analysis.

34. On sustainability of interventions, the group requested better analysis of external and internal factors for results, in particular for results-based budgeting. They encouraged UNDP to be at the global forefront of efforts to communicate results, and place more efforts in programmatic value for money. Similarly, they encouraged UNDP to step up efforts to harmonize systems for more joint programming and implementation. They suggested removing

bureaucratic hurdles to facilitate functioning of Sustainable Development Goals support platforms.

35. On democratic governance, the group encouraged UNDP to engage in dialogue with governments to promote not only national ownership and priorities but also the principles of human rights and dignity. They expected the new strategic plan to develop that area further. Similarly, the group reiterated that UNDP should step up its work on gender equality and women's empowerment. They urged UNDP to ensure that gender equality was mainstreamed across programming areas and included men and boys, in partnership with UN-Women.

36. One delegation, sought clarity on whether the evaluation covered all aspects of UNDP programming, and why it seemed to prioritize Goal 16 in its recommendations. The delegation stressed that the Board should be involved in oversight of all UNDP activities, including those on peacebuilding and human rights, which, it noted, did not fall within its mandate. Highlighting that the Board had not modified UNDP programming arrangements in four years, the delegation requested details on how UNDP intended to cover its proposed increased spending in MICs.

37. In response, the Director, Independent Evaluation Office, UNDP, explained the difficulties inherent in evaluating comparative advantage, which required analysing data from other United Nations organizations. The evaluation focused on UNDP areas of expertise. The evaluation had covered all UNDP work but reported only on areas where results and evidence were clear, a normal evaluative practice. He said that an international team had validated the evaluation and stressed that in no way was it partial. The evaluation did report on Goal 16 because it was a UNDP focus area, though not as a priority. He stated that the evaluation's recommendations were not too prescriptive, a task that fell within the Board's mandate.

38. The Director, Bureau for Programme and Policy Support, UNDP, noted that UNDP areas of comparative advantage were well documented. Based on results in those areas, UNDP was aware of where it needed to step up efforts, one being gender. On funding, the focus should be on stabilizing core resources, which, in light of past fluctuations, UNDP viewed as achievable. Doing so would help to address imbalances in other funding areas. On contractual issues, UNDP sought a middle ground between full staff contracts and consultancy contracts to offset it stringent budget situation. UNDP collaborated with many global and regional development banks, including the World Bank, in tackling issues related to the causes of conflict, urban development and the UNDG approach to mainstreaming, acceleration and policy support (MAPS) for implementation of the Goals. He emphasized that UNDP did not think the evaluation focused excessively on Goal 16. Recognizing its sensitivity, UNDP worked on governance only in strict agreement with national governments and in full respect of national ownership.

39. The Executive Board adopted decision 2017/21 on the evaluation of the UNDP strategic plan, global and regional programmes, and management response.

VI. Country programmes and related matters

40. The Director, Regional Bureau for Africa, UNDP, introduced the item and provided an overview of the 15 country programmes up for Board approval as well as the extensions of seven country programmes. The regional directors for Africa, Asia and the Pacific, Arab States, Europe and the Commonwealth of Independent States and Latin America and the Caribbean presented and elaborated on the country programmes for: Bolivia, Central African Republic, Costa Rica, Dominican Republic, Guinea, India, Kyrgyzstan, Nepal, Nigeria, Papua New Guinea, the Republic of Moldova, Sri Lanka, Sudan, Ukraine, and the subregional programme document for the Pacific Island Countries and Territories, as well as the first one-year extensions of the country programmes for the Democratic Republic of the Congo, Equatorial Guinea, South Sudan and the Syrian Arab Republic, the first fifteenth-month extension of the

country programme for South Africa, the exceptional fourth one-year extension of the country programme for Libya and the third two-year extension of the country programme for Yemen.

41. Several Board members whose country programmes were up for Board review and approval commented on the programmes from the national perspective. They highlighted the participatory process followed in designing the country programmes while stressing the importance of national ownership and needs, and the achievements of their partnerships with UNDP at country level. One delegation cautioned Member States to avoid using Board meetings to express positions of a political nature.

42. The Executive Board reviewed and approved, in accordance with Executive Board decision 2014/7, the country programme documents for: Bolivia (DP/DCP/BOL/3), Central African Republic (DP/DCP/CAF/4), Costa Rica (DP/DCP/CRI/3), Dominican Republic (DP/DCP/DOM/3), Guinea (DP/DCP/GIN/3), India (DP/DCP/IND/3), Kyrgyzstan (DP/DCP/KGZ/3), Nepal (DP/DCP/NPL/3), Nigeria (DP/DCP/NGA/3), Papua New Guinea (DP/DCP/PNG/2), the Republic of Moldova (DP/DCP/MDA/3), Sri Lanka (DP/DCP/LKA/3), Sudan (DP/DCP/SDN/3), Ukraine (DP/DCP/UKR/3) and the sub-regional programme document for the Pacific Island Countries and Territories (DP/DSP/PIC/2).

43. The Board approved the exceptional fourth one-year extension of the country programme for Libya from 1 January to 31 December 2018 and the third two-year extension of the country programme for Yemen from 1 January 2018 to 31 December 2019.

44. The Board took note of the first one-year extensions of the country programmes for the Democratic Republic of the Congo, Equatorial Guinea, South Sudan and the Syrian Arab Republic from 1 January to 31 December 2018 and the first fifteenth-month extension of the country programme for South Africa from 1 January 2018 to 31 March 2019.

XV. United Nations Capital Development Fund

45. The Executive Secretary, UNCDF, introduced the review of the UNCDF operational reserve (DP/2017/36), which the Director, Office of Finance and Administration, UNDP, followed with a presentation of its details.

46. One delegation welcomed the UNCDF move to refine its methodology to recalculate its operational reserve; it appreciated that the process was evidence-based and believed the proposed changes would be useful in modernizing the Fund's working methods. It welcomed the UNCDF approach to developing its next strategic framework, 2018-2021, and encouraged it to maintain its presence in all Pacific island countries, regardless of their MIC or LDC status. The delegation welcomed the commitment in the strategic framework to conduct more impact evaluations and case studies that took a wider-lens view of its interventions and how they attracted follow-up finance. It encouraged the Fund to ensure the framework was more explicit about its commitment to building a stronger evidence base around the long-term impact of its financial inclusion programmes on the quality of women's lives and economic growth of their communities. It urged UNCDF to leverage the expertise of United Nations organizations, as well as partnerships beyond the United Nations system, to strengthen its story around the transformative impact of its work. The delegation announced a multi-year commitment to core over three years, and appealed to other Member States to step up their core contributions to the Fund and consider the key role UNCDF played for LDCs as part of broader UNDP budget discussions.

47. Another delegation recognized the Fund's unique role in helping development countries, especially LDCs, in achieving the Sustainable Development Goals. The new strategic framework positioned UNCDF to support LDCs in achieving their graduation to MIC status as well as national development goals. It appreciated the Fund's approach to financing the Goals,

which involved communities in driving sustainability forward through innovative projects, and welcomed UNCDF leveraging of private sector financing. The delegation welcomed the refined methodology to recalculate the operational reserve, as well as the proposed revisions to the methodologies for core and non-core resources.

48. The Executive Secretary, UNCDF, noted that the Fund could begin implementing the new methodology for core and non-core resources quickly, and would continue to report to the Board and discuss the status of the reserve going forward.

49. The Executive Board adopted decision 2017/22 on the review of the UNCDF operational reserve.

UNFPA segment

VII. & VIII. Statement by the Executive Director and UNFPA strategic plan, 2018-2021, including financial, budgetary and administrative matters

50. In her statement to the Executive Board (available on Papersmart), the Acting Executive Director noted that the new strategic plan, 2018-2021 (DP/FPA/2017/9) – the first of three strategic plans leading up to 2030 – benefitted from a consultative and transparent process with Board members and stakeholders. The plan reflected the 2030 Agenda for Sustainable Development and the Sustainable Development Goals, and was grounded in the programme of action of the International Conference on Population and Development (ICPD) and the reform agenda of the 2016 quadrennial review. That vision for more effective United Nations system collaboration and innovative thinking – as reflected in the plan's common chapter jointly shared with UNDP, the United Nations Children's Fund (UNICEF) and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) – and greater coherence, integration and inclusive partnerships combined to ensure that 'no one is left behind'. UNFPA was committed to that challenge, working to mobilize resources, marshal political support and broaden partnerships, with agility and flexibility.

51. The new plan sought to build on UNFPA comparative advantages and introduced changes that would consolidate its efforts and strengthen coherence, effectiveness and efficiency. It aimed to expand UNFPA work by focusing on achieving three transformative, people-centred results: (a) zero unmet need for family planning; (b) zero preventable maternal deaths; and (c) zero harmful practices and gender-based violence. Those results or 'main drivers' would be the key focus of the Fund's advocacy, communication, partnerships and resource mobilization efforts, grounded in the 'Bull's Eye' and a rights-based approach. Accordingly, UNFPA would work to: (a) strengthen national health care systems through quality care, equity in access and social protection; (b) bolster country office capacity for data collection, analysis and use to identify and track inequalities, ensure targeted investments and achieve national development goals; and (c) build systems for solutions, innovation and impact – all working ultimately to reduce poverty and inequalities.

52. The strategic plan aimed to better align UNFPA efforts with those of other United Nations organizations to protect and empower women and young people, especially adolescent girls. Making UNFPA ever more 'fit-for-purpose' was a key component of the new plan and critical to achieving its goals. Innovation was therefore a corporate priority – an endeavour buttressed by the Innovation Fund with the support of Denmark and Finland, and the Innovation Initiative, which would allow the Fund to obtain real-time feedback and learning for managers. As part of that initiative, UNFPA had commissioned a comparative analysis study of innovation across the

United Nations development system, collecting and comparing data from 11 United Nations organizations and their offices.

53. Achieving the strategic plan goals required enhanced management and staff capacities to face the challenges. UNFPA would implement the change management process in a holistic manner to ensure it possessed the institutional efficiency and effectiveness to meet the 2030 Agenda ambitions, as laid out in the Secretary-General's reform agenda, the 2016 quadrennial review and recommendations of the independent evaluation of the strategic plan, 2014-2017, and keep the Board apprised of progress.

54. As part of her statement, the Acting Executive Director introduced the UNFPA integrated budget, 2018-2021 (DP/FPA/2017/10 and DP/FPA/2017/10/Corr.1) – the financial bedrock of the new strategic plan – and the report of the Advisory Committee on Administrative and Budgetary Questions on the UNFPA integrated budget, 2018-2021 (DP/FPA/2017/14). She drew attention to the ongoing decline in regular (core) resources, and underscored that UNFPA was exploring opportunities, partnerships and platforms that facilitated programmatic and funding innovation, including blended financing options and leveraging different international/domestic financing streams. She explained the drivers of the proposed institutional budget and introduced a proposal to reduce the institutional budget.

55. Board members welcomed the new strategic plan, 2018-2021, and expressed continued strong support for the Fund's mandate, in line with the ICPD programme of action, 2030 Agenda and 2016 quadrennial review. They stressed the importance of the UNFPA mandate in collective efforts to achieve the Sustainable Development Goals. Delegations greatly appreciated the transparent consultative process the Fund followed in engaging Member States and stakeholders in developing the new plan, and expressed full support and readiness to endorse the new strategic plan, 2018-2021, at the Board session. They recognized the work of UNFPA staff across the globe in providing universal access to sexual and reproductive health services, especially in reaching marginalized and vulnerable communities, including in humanitarian settings.

56. Delegations welcomed and reiterated the need for the plan's alignment with the 2030 Agenda, 2016 quadrennial review, ICPD programme of action, the 'Bull's Eye' and lessons learned from the previous strategic plan, 2014-2017. A large number of delegations welcomed and strongly supported the plan's grounding in a human-rights based approach, reflecting gender equality, empowerment of women, reduction of maternal mortality, prevention of gender-based and domestic violence, and its focus on women, girls, adolescents and youth in its sexual and reproductive health and reproductive rights work, including family planning, in development and humanitarian settings.

57. Many delegations were pleased to see the plan took into account United Nations system reform efforts, including the reform agenda of the Secretary-General, in accordance with the 2016 quadrennial review and the strategic plan's common chapter. They welcomed efforts to engage closely with United Nations system organizations in breaking down silos and bridging gaps for enhanced collaboration in development and humanitarian settings.

58. Delegations appreciated the plan's differentiated approach to programming at country level, with tailored assistance to countries' needs and priorities, as defined by programme countries and respectful of national ownership, especially in humanitarian and emergency situations. They encouraged UNFPA to prioritize region-wide assistance to small island developing states (SIDS), which were especially vulnerable to climate change and natural disasters), providing their subregional offices with financial and technical support to ensure the Fund's presence on the ground and assistance in helping countries achieve the Goals.

59. Other delegations welcomed UNFPA efforts to strengthen staff and national capacities to collect, analyse and disaggregate data on population dynamics, including in ageing societies,

helping programme countries to use data for informed decision-making on development policies and interventions. They noted the continued focus on greater efficiency in delivery, accountability and transparency through the Fund's change management process and enhanced risk management, and its continued dialogue with Board members on ways to allocate funds to programme activities. Similarly, they welcomed efforts to improve performance by grounding programme planning in results-based management, monitoring and evaluation, including through stronger milestones and targets.

60. The ongoing core/non-core imbalance remained an important concern among delegations. They called on UNFPA to broaden its donor base and pursue more innovative partnerships and modes of financing, including with the private sector and through South-South cooperation, to address the core/non-core imbalance, which, they warned, could jeopardize the Fund's ability to deliver its mandate and imperil its ability to ensure universal presence in programme countries – especially of concern to least developed countries and SIDS. Delegations welcomed the proposed review of the integrated budget 2018 to ensure a more balanced budget, reflecting links with United Nations system organizations.

61. One delegation, underlining its commitment to women's equal access to reproductive health care, the Beijing Declaration and platform for action and the ICPD programme of action, fully supported the principle of voluntary choice on maternal and child health and family planning but did not recognize abortion as a method of family planning. The delegation stressed that it had no obligation as a Member State to implement previsions of instruments to which it was not a party. Another delegation, in response, expressed concern with the increasing importance of normative discussions in the Board. The delegation affirmed that the Board should focus on operational discussions and implementing principles already agreed in the 2016 quadrennial review and the 2030 Agenda.

62. Many delegations underscored the importance of UNFPA work in humanitarian settings, providing sexual and reproductive health services and addressing gender-based violence and the needs of the most vulnerable. They saw UNFPA playing a key role in strengthening the humanitarian-development nexus and supporting resilience-building. Some delegations called on UNFPA to provide services to migrants, refugees and people on the move, including adolescent girls, and to support host communities. Others encouraged the Fund to provide sexual and reproductive health and family planning services in countries seeking to increase birth rates and promote family values, respecting national cultural and religious approaches. There was a call for UNFPA to be engaged in promoting universal health coverage and address the needs of ageing societies. One delegation cautioned the Fund to avoid engaging in coercive abortion as part of its sexual and reproductive health and family planning services.

63. In response, the Acting Executive Director thanked the Board for its renewed expression of condolence for the late UNFPA Executive Director, Dr. Babatunde Osotimehin, and stressed that the Fund was determined to pursue his vision laid out in the new strategic plan, 2018-2021. She expressed appreciation for the Board's close engagement with UNFPA in developing the new strategic plan, and their strong support for its mandate. She noted the calls to tailor UNFPA work to country-specific needs, and welcomed the appeal for increased funding to core resources and pledges for multi-year funding. She recognized delegations' call for greater coherence, accountability, transparency and better risk management, and welcomed their emphasis on UNFPA partnerships as a driver of results. She assured the Board that the strategic plan was designed to reflect changing development and humanitarian conditions, while grounded in a results-based, rights-based approach, guided by the ICPD programme of action and the 2030 Agenda. UNFPA assistance in crisis and humanitarian settings (such as that besetting the Caribbean region under Hurricane Irma) was grounded in the new strategic plan.

64. She welcomed Board confirmation that core resources remained the bedrock of UNFPA universal presence in programme countries and vital for the viability of its strategic plan; the

Fund would pursue and broaden innovative financing and partnerships to buttress its work. On population dynamics, UNFPA had gained Board support to assist countries in addressing the issue of ageing populations. She underscored the Fund's commitment to treating fistula and making it a rare condition in developing countries. She welcomed delegations' concerns about the importance of rebalancing resources allocated to headquarters, regional and country budgets, and the crucial role the Fund played in bridging the humanitarian-development nexus and pursuing a rights-based approach. She stressed that UNFPA did not condone or engage in any programme of coercive abortion; its work was fully guided by the ICPD programme of action and internationally agreed human rights principles.

65. The Director, UNFPA Programme Division, highlighted that UNFPA had provided an additional allocation of financial resources to countries in the Caribbean region in response to Hurricane Irma. The allocation, made possible by a group of donors seeking to address the core/non-core imbalance, would ensure that country offices in the region continued to deliver effectively during the crisis period. Additional donor contributions went to the UNFPA Emergency Fund, which would allow for prepositioning of supplies to the region. The Fund would provide 6 per cent of all programme resources to support the region during the crisis. He assured delegations of the Fund's commitment to the national direction of UNFPA programmes of assistance. He noted that the challenge of ageing populations was reflected in the country programmes of countries seeking to address that issue; similarly, the new strategic plan laid out a specific approach to classifying each island along with a tailored implementation approach.

66. The Deputy Executive Director (Management) underscored the Fund's close working relationship and coordination with United Nations system partners and commitment to implementing coherence and reform principles laid out on the 2016 quadrennial review and Secretary-General's reform. Noting the challenges and complexity of change management, UNFPA was pursuing a timely, coherent, aligned change management process that optimized the opportunities the process promised. UNFPA would update the Board on its progress with change management at the first regular session 2018.

67. The Executive Board adopted decision 2017/23 on the UNFPA strategic plan, 2018-2021.

68. The Executive Board adopted decision 2017/24 on the UNFPA integrated budget, 2018-2021.

IX. UNFPA structured funding dialogue

69. The Acting Executive Director introduced the UNFPA report on contributions by Member States and others to UNFPA and revenue projections for 2017 and future years (DP/FPA/2017/11), and the Director, Communications and Strategic Partnerships, gave a presentation of the structured funding dialogue.

70. Delegations welcomed the idea of a funding compact and expressed full support for exploring the idea with UNFPA. It was suggested that the funding compact should be led by the Secretary-General, not individual United Nations organizations – in which case more details were needed on how UNFPA would align with the compact. Delegations stressed the importance of a well-funded UNFPA, especially through core resources, that would allow it to fulfil its normative and operational goals. Some pointed to the need for other, more flexible funding, in particular, an interagency funding mechanism that gave United Nations organizations incentives to work together. Delegations encouraged the Fund to engage individually with a range of donors in the funding dialogue.

71. Delegations welcomed the usefulness of the online portal but sought details on gaps, including on spending, such as travel. It was noted that UNFPA financing reform should go hand-in-hand with efforts at governance reform. Delegations took the opportunity to announce

increased funding pledges to UNFPA. One delegation requested that in future funding dialogues UNFPA specify which functions would be financed through core and other 'neutral' sources of funding, indicating how system-wide activities would be financed; in accordance with the report on United Nations reform by the Secretary-General, it requested that future annual reports indicate how UNFPA had prioritized funding allocation within the strategic plan. There was a request for more details of the UNFPA financial situation so Member States could have better understanding of gaps needed to be filled; such close interaction with Board members would help to build resilience in partnerships.

72. The President of the Executive Board welcomed the budget, noting it allowed the setting of more ambitious budget targets in the future. He stressed the need for Board members to better understand funding gaps, as that was a key element in UNFPA efforts to mobilize resources and for Board members to decide whether additional contributions were needed to support the strategic plan. The UNFPA effort to reduce the number of thematic funds was a useful step in determining budget gaps and priorities. Stressing the benefits of a broader donor base that included programme countries, he encouraged UNFPA to appeal to all Board members when mobilizing resources for core resources and to engage with all stakeholders in pursuing the proposed funding compact.

73. In response, the Director, Communications and Strategic Partnerships, noted that 95 per cent of UNFPA core resources were funded by 13 contributing Member States, part of which the Fund ultimately spent on fundraising activities. He appealed to Board members to work with UNFPA to reduce fundraising costs through the proposed funding compact, so more resources could be allocated to programme activities. He underlined the importance of donors committing and adhering to multi-year pledges. A remaining gap was that of mobilizing funding to core resources from programme countries, as they were concerned about the return on their investment. He affirmed that programme countries' contributions to core resources guaranteed UNFPA presence, with its ensuing benefits, at country level. It was not possible to ensure the Fund's presence and drive results only from non-core resources. While the funding compact proposed by the Secretary-General focused on thematic funding and the UNFPA proposal was agency-specific, the two were not mutually exclusive, since the Fund's thematic funding included many aspects of the Secretary-General's proposal. He noted that a large proportion of UNFPA non-core resources came from inter-agency funding via joint programming, which the Secretary-General's proposal would enhance. He drew attention to the 71 per cent gap against the target for humanitarian funding, while noting the proposed funding structure would help to address gaps more strategically through funding streams. He appealed to Board members to continue the funding dialogues during and between Board sessions.

74. The Acting Executive Director stated that UNFPA would work with the Board to determine the frequency and content of future structured funding dialogues. In light of the defunding by one Member State, a significant proportion had been earmarked for the organization's humanitarian fund; the Fund was working to replace these humanitarian funds to respond to crises and humanitarian situations. UNFPA efforts under the comprehensive resource review would continue to refine the budget picture to provide better understanding of gaps and funding streams. Consolidating gains and pursuing innovation would be major themes undergirding the Fund's work throughout the strategic plan, 2018-2021. UNFPA would make itself ever more 'funding worthy' through regular audits, enhanced accountability and transparency, a cycle of monitoring and evaluation, sound management and better data collection and analysis.

75. The Executive Board adopted decision 2017/25 on the UNFPA structured funding dialogue.

X. Country programmes and related matters

76. The UNFPA Acting Executive Director provided an overview of the 20 country programmes presented for Board approval, including the subregional programme for the Pacific island countries, as well as the extensions of nine country programmes.

77. The Deputy Executive Director (Management) presented the country programmes for the Asia and the Pacific region for India, Myanmar, Nepal, Pakistan, Papua New Guinea, Sri Lanka and the subregional programme for the Pacific island countries. The UNFPA regional directors presented the country programmes for the Arab States, East and Southern Africa, Eastern Europe and Central Asia, Latin America and the Caribbean, and West and Central Africa – for Bolivia, Burkina Faso, Costa Rica, Dominican Republic, Gabon, Guinea, Kyrgyzstan, Moldova, Nigeria, State of Palestine, Somalia, Sudan and Ukraine, as well as the extensions of the country programmes for Burundi, Democratic Republic of the Congo, Equatorial Guinea, Lesotho, Liberia, South Africa, South Sudan and the Syrian Arab Republic.

78. Board members expressed continued strong support for the Fund's assistance in the regions. Countries submitting their country programmes and country programme extensions for discussion and adoption by the Board underscored that UNFPA had developed the country programmes in close cooperation with their respective Governments, which fully supported UNFPA mandated activities in their countries in the areas of sexual and reproductive health and family planning. They confirmed that all 20 country programmes, including the subregional programme, were fully aligned with national priorities, as nationally defined, and the respective country United Nations Development Assistance Framework (UNDAF), and contributed to national achievement of the Sustainable Development Goals. All delegations affirmed that they were in the process of implementing the Goals and the 2030 Agenda with the support of UNFPA country and regional offices.

79. The Executive Board reviewed and approved, in accordance with its decision 2014/7, the country programme documents for: Bolivia (DP/FPA/CPD/BOL/6), Burkina Faso (DP/FPA/CPD/BFA/8), Costa Rica (DP/FPA/CPD/CRI/5), Dominican Republic (DP/FPA/CPD/DOM/6), Gabon (DP/FPA/CPD/GAB/7), Guinea (DP/FPA/CPD/GIN/8), India (DP/FPA/CPD/IND/9), Kyrgyzstan (DP/FPA/CPD/KGZ/4), Moldova (DP/FPA/CPD/MDA/3), Myanmar (DP/FPA/CPD/MMR/4), Nepal (DP/FPA/CPD/NPL/8), Nigeria (DP/FPA/CPD/NGA/8), Pakistan (DP/FPA/CPD/PAK/9), Palestine (DP/FPA/CPD/PSE/6), Papua New Guinea (DP/FPA/CPD/PNG/6), Somalia (DP/FPA/CPD/SOM/8), Sri Lanka (DP/FPA/CPD/LKA/9), Sudan (DP/FPA/CPD/SDN/9), Ukraine (DP/FPA/CPD/UKR/3), and the subregional programme document for the Pacific island countries (DP/FPA/CPD/PIC/6).

80. The Board took note of the first one-year extensions of the country programmes for the Democratic Republic of the Congo, Equatorial Guinea, Lesotho, Liberia, South Sudan and Syrian Arab Republic, and approved the 15-month extensions of the country programme for South Africa, and the third, one-year extension of the country programme for Burundi and the third, two-year extension of the country programme for Yemen, as contained in document (DP/FPA/2017/13).

UNOPS segment

XI. Statement by the Executive Director and UNOPS strategic plan, 2018-2021

81. In her statement to the Board, the Executive Director, UNOPS, presented the UNOPS strategic plan, 2018-2021 (DP/OPS/2017/5 and annexes), the UNOPS biennial budget estimates, 2018-2021 (DP/OPS/2017/6 and annexes), the report of the Advisory Committee on

Administrative and Budgetary Questions (ACABQ) on UNOPS budget estimates, 2018-2021 (DP/OPS/2017/7) and the annual statistical report on the procurement activities of the United Nations system, 2016 (DP/OPS/2017/8). She stressed that the new strategic plan built on the mid-term review of the strategic plan, 2014-2017, and close consultations with the Executive Board and partners in and outside the United Nations. Aligned with UNOPS mandate, core competencies and the Sustainable Development Goals, the new strategy focused on implementation of crosscutting services in infrastructure, procurement, project management, human resources and financial management. Specifically, the new strategy strove toward three goals: (a) enabling more efficient management support services; (b) helping partners deliver more effective solutions through technical expertise; and (c) supporting broader efforts to realize the 2030 Agenda. UNOPS was at the forefront of innovation, liaising with innovation stakeholders and helping to set up innovation centres in many countries, focused on the revolutionizing power of technology.

82. The Executive Director highlighted that UNOPS strong finances helped to drive implantation of the new strategy. UNOPS was in constant process of reshaping, realigning and expanding its structure and services to meet stakeholders' demands, better serve the United Nations system, in particular system-wide peace and security programmes, and mitigate risks. UNOPS was committed to the United Nations system-wide drive for gender equality by 2030, and was taking action to address the underrepresentation of women in its operational global portfolio. The organization was keen to boost the quality and impact of its projects by collaborating closely with partners to ensure resilience. UNOPS had refined its approach to United Nations procurement to focus on sustainable procurement to make United Nations procurement more efficient. The new strategy underscored UNOPS commitment to improving procurement practices of programme countries and making United Nations procurement approaches more sustainable.

83. Board members expressed appreciation for the consultative process and constructive dialogue UNOPS organized in developing the strategic plan, 2018-2021. The plan defined a viable, strategic direction for UNOPS and built on its technical expertise and lessons learned. They encouraged UNOPS to continue to share its best practices and experience widely. They were pleased to note that the strategy was aligned with the 2030 Agenda, the 2016 quadrennial review and the Secretary-General's vision for reform. They were keen to see UNOPS contribute actively to realizing the reform agenda and to find new ways of collaborating with the United Nations system. They were pleased with its three-goals approach and adoption of the United Nations 'global approach'. They welcomed the strategic plan's focus on partnerships, especially with United Nations organizations, as a tool to boost efficiency and effectiveness, especially at country level, as a window toward innovation and driver of prevention.

84. Delegations were pleased to see the new strategy highlight gender-sensitive approaches as part of UNOPS operational ambitions, and stressed the importance of having women actively involved in UNOPS work on the ground and gender balance within the organization. That included a call for a human rights-based approach in its work. They encouraged UNOPS to continue to contribute to young people becoming agents of change, and applauded its partnerships in that effort. Middle-income countries expressed appreciation for UNOPS support in providing services in sustainable project management, optimized and simplified procurement, and risk reduction. Delegations encouraged UNOPS to continue to act as a catalyst for government and private sector funding, strengthen its capacity to account for results, engage innovative funding approaches, and periodically revise its cost recovery and pricing policy.

85. Delegations welcomed UNOPS strong financial standing and excellence in transparency, and supported the revenue target of zero for 2018-2019. They welcomed the transparency of its budget estimates provided in succinct format, which facilitated Board oversight. They requested analysis of the operational reserve in subsequent budget estimates and expected procurement standards to be aligned across the United Nations development system. There was a call for

details on UNOPS investments to enhance processes and staff competencies, with an update in subsequent budget estimates. Delegations encouraged UNOPS to address the ACABQ recommendation on performance benchmarking and include detailed information in subsequent budget estimates. They stressed that UNOPS self-financing model could play a part in the Secretary-General's reform agenda. Board members strongly endorsed the strategic plan, 2018-2021, and looked forward to its adoption at the session.

86. In response, the Executive Director, UNOPS, assured the Board that UNOPS would continue to explore opportunities for greater collaboration with United Nations organizations. UNOPS was focused on system-wide implementation of the 2030 Agenda, but she stressed that the United Nations had to explore different avenues for achieving the Goals, including by collaborating with the private sector, sharing risk and driving innovation. Breakthrough technologies could play a key role in driving innovation for the benefit of those in need, at lower cost and greater impact. She highlighted UNOPS work to engage youth through gaming, music and animation, and noted UNOPS was pursuing new partnerships to build stronger resilience in infrastructure activities in support of its urban agenda. UNOPS would report back to the Board on its efforts in management reform, and was committed to gender parity by 2030 internally and in programmes. UNOPS was actively seeking ways, structurally and with partners, to better serve small-island developing states and others on the frontlines of climate change. UNOPS was keen to have a secure operational reserve to ensure better risk management, along with a strong financial situation, transparency and proof of delivery of results on which partners could count.

87. The Executive Board adopted decision 2017/26 on the UNOPS strategic plan, 2018-2021.

88. The Executive Board adopted decision 2017/27 on the UNOPS budget estimates for the biennium, 2018-2021.

Joint segment

XII. Financial, budgetary and administrative matters

89. The Director, Bureau for Management Services, UNDP, introduced the report of UNDP, UNFPA and UNOPS on joint procurement activities (DP-FPA-OPS/2017/1). The Director, Office of Sourcing and Operations, UNDP, the General Counsel and Officer-in-Charge of the New York office, UNOPS, and the Chief, Procurement Services Branch, UNFPA, gave a presentation on report's focus areas and main conclusions from their organizational perspectives.

90. In the only intervention, one Board member sought clarity on whether the funds and programmes gave priority to local procurement sources (at national level), as a way of contributing to country programmes, before reverting to outside procurement sources.

91. In response, the Director, Office for Sourcing and Operations, UNDP, noted that UNDP worked closely with governments to build national capacity for procurement using international standards. Procurement approaches differed among United Nations organizations and often depended on the item purchased. In line with UNDP procurement policy, local procurement depended on the category of items – 70 to 80 per cent of UNDP purchases were procured locally at country level and any category below $100,000 could be bought locally. Local firms had a comparative advantage in terms of pricing.

92. The Chief, Procurement Branch, UNFPA, noted that the Fund approached local procurement through its standard principles of fairness, transparency and timeliness, among others, as did the other United Nations organizations. Using local procurement generally had the benefits of speed. UNFPA especially used local procurement in its growing humanitarian settings where timeliness of delivery was key.

93. The Executive Board adopted decision 2017/28 on the annual statistical report on the procurement activities of United Nations system organizations, 2016.

XIII. Follow-up to the Programme Coordinating Board Meeting of the Joint United Nations Programme on HIV/AIDS

94. The Acting Executive Director, UNFPA, and the Director, Bureau for Programme and Policy Support, UNDP, gave a joint presentation on the joint report on the implementation of the decisions and recommendations of the Programme Coordinating Board of the Joint United Nations Programme on HIV/AIDS (UNAIDS) (DP/2017/37-DP/FPA/2017/12).

95. A group of delegations welcomed measures taken by UNDP and UNFPA to review and realign HIV/AIDS processes, linking them to cross-cutting issues and targeting those most in need, especially in light of UNAIDS financial situation. They looked forward to seeing best practice examples showing accelerated resource mobilization efforts during the next Programme Coordinating Board meetings and future Board meetings.

96. The group expected UNAIDS to continue to align with United Nations organizations on the ground, as per the 2016 quadrennial review and ongoing United Nations system reform, which would require greater interagency operational and budgetary efficiency. They sought clarity on how UNDP, UNFPA and UNAIDS reporting mechanisms had been adjusted in light of the revised UNAIDS budget, results and accountability framework (UBRAF). They had expected the report to be more results-oriented in its presentation.

97. The same group commended UNFPA and UNDP for mainstreaming gender equality, women's empowerment and sexual and reproductive health in their AIDS-related work, and strongly supported the UNFPA mandate to accelerate progress on the ICPD programme of action. They commended UNFPA and UNDP for their work on health systems strengthening and using lessons learned from the global AIDS response in tackling broader health challenges.

98. Specifically on UNFPA, the group sought clarity on how the division of labour between UNFPA and UNAIDS co-sponsors would take place at country level, based on comparative advantages. They looked forward to the Fund's role and next steps in operationalizing the Global Coalition of Prevention, and welcomed UNFPA and UNAIDS efforts to put primary prevention back on the agenda.

99. Another delegation welcomed UNAIDS initiative to establish the Global Review Panel. It strongly supported continued UNAIDS leadership in the global AIDS response, and welcomed UNDP and UNFPA inclusion of their AIDS response and roles as co-sponsors within their new strategic plans, 2018-2021, and their alignment to the UNAIDS UBRAF.

100. In response, the UNFPA Acting Executive Director affirmed that close alignment among United Nations organizations on the ground, in accordance with the 2016 quadrennial review, was a principle of joint programming. That included rapid, inclusive country assessments and reconfigurations and a differentiated typology. Noting that the organizations would ensure better results-oriented reporting in future, she underscored that fast-tracking was the main goal – so that 90 per cent of people were tested for the virus and, among positive, eligible people, 90 per cent would be on treatment, while 90 per cent of those on treatment would have suppressed and undetected HIV viral loads. On division of labour, partners focused on comparative advantages. On the Global Coalition of Prevention, that prevention assessments were planned for 10 countries by end 2017 and the zero draft of a road map would undergo country consultations. On primary prevention, the goal was to eliminate new infections, involving comprehensive sexuality education policy reform and attending to gender inequality and stigma.

101. The Senior Technical Advisor, UNFPA, referring to the programme's adolescent and youth component, said there were several coordination mechanisms with United Nations and external partners, where the Fund ensured interventions reached adolescent and youth without duplicating efforts. Expanding coordination beyond the United Nations had proven beneficial – the prevention working group was engaged in a similar effort regarding the two pillars, which included adolescent girls, young women and key populations to ensure coordination at all levels. A strong UNFPA pillar was the focus on safeguarding young people and ensuring their inclusion at country level.

102. The Director, Bureau for Programme and Policy Support, UNDP, stressed that collaborative partnerships around broad development outcomes was a trademark of UNDP work going forward, as laid out in the strategic plan, 2018-2021, especially in the common chapter. UBRAF-related UNDP results would be reported against the monitoring and evaluation frameworks of the respective organizations' strategic plans, at global and country levels, following indicators and targets of the Sustainable Development Goals, thereby allowing Member States to track progress. Noting UNDP commitment to capacity development of national partners with the aim of handing over programme management to national entities, he highlighted two points: (a) exiting a country precipitously for solely political reasons was counterproductive; and (b) fragile settings posed specific challenges to capacity building that forced UNDP to remain on the ground to provide essential services. On grants from the Global Fund to Fight AIDS, Tuberculosis and Malaria, UNDP had transitioned out of its role as principle recipient in 26 countries, demonstrating its success in delivering with tangible results.

103. The Executive took note of the joint report on the implementation of the decisions and recommendations of the Programme Coordinating Board of the Joint United Nations Programme on HIV/AIDS (DP/2017/37–DP/FPA/2017/12).

XIV. Field visits

104. The rapporteur presented the report of the joint field visit of the Executive Boards of UNDP/UNFPA/UNOPS, the United Nations Children's Fund (UNICEF), the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) and the World Food Programme (WFP) to Nepal (DP/FPA/OPS-ICEF-UNW-WFP/2017/CRP.1), which was followed by a short film of the joint field visit. The Chief, Country Office Liaison and Coordination Division, Regional Bureau for Asia and the Pacific, UNDP, made a statement focusing on the importance of the joint field visit's timing and recommendations in light of current United Nations reform efforts and the recent signing of the United Nations Development Assistance Framework for Nepal.

105. There were no interventions or comments from Board members on the joint field visit to Nepal.

106. The Executive Board took note of the report on the joint UNDP/UNFPA/UNOPS, UNICEF, UN-Women, WFP field visit to Nepal (DP/FPA/OPS-ICEF-UNW-WFP/2017/CRP.1).

XVI. Other matters

Address by the Chairperson of the UNDP/UNFPA/UNOPS and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) Staff Council

107. In his statement to the Board, the Chairperson, UNDP/UNFPA/UNOPS/UN-Women Staff Council, highlighted the strong working relationships and collaboration the council had with the management of the organizations. He underscored the council's close working relationship with

the new Secretary-General in his efforts to drive forward United Nations reform. He pointed to the importance of regular consultations with staff as an integral part of corporate decision-making. He reiterated ongoing staff concerns on a number of topics, including the importance for transparency, adherence to recruitment and management principles, appropriate contracts and compensation packages, performance management and career development, and respect for the principles of international civil service.

108. In their management responses, the Director, Bureau for Management Services, UNDP, the Director, Division for Human Resources, UNFPA, and the General Counsel and Director, Legal Group, UNOPS, underscored the good working relationships each organization had with the Staff Council and measures each was taking to address staff concerns. They recognized the critical importance of staff and the need for open, transparent engagement with the Staff Council, and welcomed the council's readiness to work with the organizations to address major challenges. They noted the council's strategic, passionate position in deliberations on locally engaged staff compensation packages with the International Civil Service Commission and in other discussions with the United Nations Joint Pension Fund. Despite disagreements, the Staff Council and the organizations shared a common vision to make the United Nations stronger.

109. The Executive Board took note of the statement by the Chairperson of the UNDP/UNFPA/UNOPS/UN-Women Staff Council.

United Nations DP/2018/2

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I. Organizational matters

1. The special session 2017 of the Executive Board of UNDP, UNFPA and UNOPS was held at United Nations Headquarters in New York on 28 November 2017.

2. The Executive Board approved the agenda and workplan for its special session 2017 (DP/2017/L.4).

3. Decisions adopted by the Executive Board at the special session 2017 appeared in document DP/2018/3, which was available on the Executive Board website.

UNDP segment

II. & III. Statement by the Administrator and UNDP strategic plan, 2018-2021, including financial, budgetary and administrative matters

4. In his address to the Executive Board (available on the Executive Board website), the Administrator of UNDP highlighted that the intense effort, reflection and dialogue on how best to position UNDP in an ever-changing world had forged the new UNDP strategic plan, 2018-2021 (DP/2017/38 and annexes). The plan's finalization and adoption marked a milestone in the collective efforts to reshape UNDP for the Sustainable Development Goals era. The new plan reflected the feedback and contributions of the Board as well as United Nations development system organizations, whose partnership was vital to the plan's success.

5. His address also included the UNDP integrated resources plan and integrated budget estimates, 2018-2021 (DP/2017/39 and annexes) and the report of the ACABQ on the UNDP integrated resources plan and integrated budget estimates, 2018-2021 (DP/2017/40).

6. The Administrator underscored that the scale and pace of global changes had left United Nations system organizations struggling to keep up. The United Nations had been tasked with supporting the international community and countries in achieving the 2030 Agenda for Sustainable Development (General Assembly resolution 70/1). The Secretary-General aimed to make the United Nations fit for purpose for this task through his new reform agenda, which UNDP fully supported. The Administrator stressed that the new plan responded boldly to the ambition of the Goals and was 'reform ready'.

7. The new plan was responsive to the diversity of countries UNDP served and reflected three broad development objectives: eradicating poverty, structural transformations and building resilience. Its two new global and country level platforms would enable UNDP to deliver more effectively. And its six signature solutions, against which the organization would align its resources and expertise, would ensure real impact on poverty, governance, energy access, gender equality, resilience, and environmental sustainability. Innovation and dynamism were interwoven throughout the plan and, to enhance delivery, UNDP was reorganizing its business and operational models to make it more responsive, effective and cost-efficient.

8. Strong partnerships were at the heart of the new plan. UNDP would support countries in achieving the 2030 Agenda through revitalized partnerships with United Nations development system organizations. UNDP had a unique responsibility in uniting the United Nations development system to provide integrated, high quality support to countries, underpinned by United Nations values and the 2030 Agenda principle of leaving no one behind. The Administrator stressed, however, that the 2030 Agenda was a 'whole of society' effort that required an array of partners outside the United Nations system. The

plan foresaw UNDP as an open platform for policy advice and service provision that convened partners and stakeholders in the public and private sectors and civil society.

9. The Executive Board welcomed the new strategic plan, 2018-2021, and expressed strong appreciation for the open, transparent consultative process UNDP conducted in the run up to the special session and the personal engagement of the Administrator throughout. They noted that the new strategic plan was aligned with the 2030 Agenda and the quadrennial comprehensive policy review of operational activities for development of the United Nations system (General Assembly resolution 71/243), and clearly defined the UNDP role within the system to support Sustainable Development Goals implementation.

10. Board members broadly agreed that that the new strategic plan was 'reform ready' in line with the vision of the Secretary-General and flexible for the repositioning and strengthening of the United Nations development system, set to begin in 2018. A few delegations pointed to the need for UNDP to hold regular consultations with the Board on the implications of United Nations repositioning. A number of delegations welcomed the UNDP approach to working with United Nations organizations and commended the inclusion in the new plan of a common chapter among UNDP, UNFPA, the United Nations Children's Fund (UNICEF) and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), which they considered a step forward for coordination and joint work.

11. The Board strongly underscored the need for UNDP to pursue and strengthen partnerships at all levels and with all stakeholders, in particular with the international financial institutions, the private sector and other United Nations organizations, as crucial for achieving the 2030 Agenda and the Goals. Delegations also stressed the need to bolster South-South cooperation and to make multi-stakeholder partnerships the standard approach at country level.

12. A broad cross-section of delegations welcomed the plan's prioritization of poverty eradication and the principle to leave no one behind as the ultimate purpose of UNDP support to countries, including least developed countries, small-island developing states and middle-income countries. Many delegations also stressed the importance of national ownership and leadership and demand-driven solutions tailored to national contexts.

13. Other Board members pointed to the importance of governance and the human rights-based approach to development, and viewed the UNDP mandate within the larger context of conflict prevention, sustaining peace and resilience building, which they posited as the ultimate objectives of development. In this context, while some delegations showed strong support for the UNDP role in the humanitarian-development nexus, others expressed concern with the potential politicization of its work in conflict prevention. A broad cross-section of delegations supported the mainstreaming of gender equality across all UNDP programmes, while others, agreeing, also saw the benefits of a gender-focused outcome.

14. Decreased funding continued to be a major concern. Board members pointed to the ongoing imbalance between regular (core) and other (non-core) resources as a potential risk to the ability of UNDP to deliver on its mandate and the 2030 Agenda. Delegations called on Member States to abide by their funding commitments and, for those in a position to do so, to step up their contributions to core resources. Adequate, multi-year, stable core resources, it was noted, were the key to safeguarding the organization's independence and objectivity. Board members encouraged UNDP to continue to seek ways in which to diversify its funding base. They suggested that UNDP create more attractive incentives for both traditional and emerging donors by improving its visibility and better communicating results.

15. Overall, Board members were pleased with the integrated budget and its support for the new strategic plan. Some delegations, however, noted that the budget could benefit

from better theories of change that linked the signature solutions to outputs and outcomes, which would help to translate the new plan and its signature solutions into actions at the regional and country levels. They looked forward to a UNDP workplan for engagement with the Board and regular updates on the improved link between results and resources in the midterm review. On budget-related topics, other delegations supported differentiated cost recovery rates for countries, especially for government cost-sharing, and the need to improve budget information and cost recovery practices in future. Delegations also welcomed the proposed improvements to the UNDP business model and looked forward to regular updates on its development. As part of that effort, there was a call for fewer, more focused and transformative programmes and for the strengthening of staff capacity and performance measurements.

16. In response, the Administrator emphasized the centrality of trust in the strategic plan – built on focus, accountability, transparency and continuous dialogue with the Board. It was especially important given the need to respond to an ever-changing development landscape. Trust would allow the Board and UNDP to take impactful decisions together. He reiterated UNDP commitment to leading United Nations system-wide coherence and taking a multidimensional approach to poverty that was demand-driven and responsive. UNDP looked forward to being a trailblazer in smart development solutions under Board guidance. He noted that UNDP had a specific mandate, in accordance with country demand, to address the governance and human rights focus of Goal 16, and was committed to working on gender as both a signature and a mainstreaming solution. UNDP would continue to work closely with the Board to improve its funding situation, the core/non-core imbalance, and financing for development, including through better communication and promoting the value of multilateralism. He reassured Board members that UNDP understood Board concerns on the organization's role in the humanitarian-development nexus, peace and security, which UNDP only engaged in though country demand. He noted the UNDP comparative advantages – including its size/scope, surge capacity, and non-sectoral specialization – were responsive and flexible to country demand, and, when combined with the work of other United Nations organizations, had a multiplier impact on the Goals. A more efficient and effective business model, he noted, would create the conditions for greater and better investments and confidence in UNDP.

17. The Executive Board adopted decision 2017/30 on the UNDP Strategic Plan, 2018-2021.

18. The Executive Board adopted decision 2017/31 on the UNDP integrated resources plan and integrated budget, 2018-2021.

United Nations DP/2018/3

Executive Board of the United Nations Development Programme, the United Nations Population Fund and the United Nations Office for Project Services

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Item 1 of the provisional agenda
Organizational matters

Decisions adopted by the Executive Board in 2017

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2017/1

Expression of appreciation to Ms. Helen Clark, Administrator of the United Nations Development Programme, 2009 - 2017

The Executive Board

Noting with regret that Helen Clark will depart from her position as Administrator of the United Nations Development Programme, effective 19 April 2017,

Recognizing that Ms. Helen Clark has been a champion of development and institutional reform at UNDP since assuming the position of Administrator in 2009,

Acknowledging that her appointment at UNDP coincided with a sharp increase in volatility around the world in many areas, including the downturn in the global economy, increasing extreme weather events and disasters and refugee/migration challenges,

Recognizing Ms. Helen Clark's work to refocus and reform UNDP to make it a more modern organization able to meet these new challenges and thrive in a changing world,

Also recognizing Ms. Helen Clark's leadership to make UNDP the most transparent aid organization in the world and to make it a leaner, more focused and more efficient organization,

Acknowledging the work of Ms. Helen Clark to refocus UNDP under one vision: to help countries achieve the simultaneous eradication of poverty and significant reduction of inequalities and exclusion,

Also acknowledging her work to provide the organization with the tools it needs to confront future challenges and to forge wide-ranging partnerships,

Further acknowledging the tireless drive of Ms. Helen Clark in the critical work of UNDP towards poverty eradication, as well as the progress made by UNDP in its crucial work on building countries' resilience to climate change, conflict and other crises so that sustainable development gains could be secured,

Recognizing with deep appreciation that Ms. Helen Clark made the 2030 Agenda for Sustainable Development and the Sustainable Development Goals the focus of UNDP programmes,

Acknowledging the efforts made by Ms. Helen Clark to advocate on behalf of the poor and vulnerable, particularly women, people living with HIV/AIDs and migrants and refugees,

Recognizing the commitment, dedication and leadership shown by Ms. Helen Clark in ensuring a strengthened, effective and efficient role for UNDP in the United Nations system and in strengthening the role of UNDP, particularly at the country level,

1. *Commends* Helen Clark for her effective management of the United Nations Development Programme from 2009 to 2017;

2. *Expresses* its sincere gratitude to Helen Clark for her outstanding leadership of UNDP in its contributions to four major conferences in 2015: the Third United Nations World Conference on Disaster Risk Reduction, in Sendai, Japan; the Third International Conference on Financing for Development, in Addis Ababa, Ethiopia; the United Nations summit for the adoption of the post-2015 development agenda, in New York; and the twenty-first session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, in Paris, France;

3. *Extends* its warmest good wishes to Helen Clark for success in her future endeavours.

3 February 2017

2017/2
UNDP evaluation

The Executive Board

With regard to the evaluation of the UNDP contribution to anti-corruption and addressing drivers of corruption (DP/2017/4) and the management response thereto (DP/2017/5)

1. *Takes note* of the evaluation, and acknowledges its conclusion that UNDP has made a positive contribution to national efforts to reduce corruption and address the drivers of corruption in countries where UNDP is engaged in this issue;

2. *Encourages* UNDP to address corruption risks to development as recommended in the evaluation;

3. *Requests* UNDP to take the evaluation recommendations into account in the next strategic plan and future programming, including at country level, where relevant;

4. *Encourages* UNDP to continue to strengthen national ownership and leadership on anti-corruption;

With regard to the evaluation of disability-inclusive development at UNDP (DP/2017/6) and the management response thereto (DP/2017/7)

5. *Takes note* of the evaluation, acknowledging its conclusions and recommendations and the management response from UNDP;

6. *Takes note* of the finding that UNDP is well positioned to play a prominent role in supporting countries in implementation of the Convention on the Rights of Persons with Disabilities;

7. *Encourages* UNDP to ensure that in its next strategic plan, support to countries on the disability aspects of development is given greater prominence, and that UNDP work in support of the 2030 Agenda for Sustainable Development recognizes the disability aspects of the Sustainable Development Goals;

8. *Underscores* the importance of incorporating reference to disability in the forthcoming updating of UNDP corporate strategies, in particular the gender equality strategy;

9. *Urges* UNDP to assess which of its facilities are not yet accessible to persons with disabilities and to take steps to adapt as many of them as possible, and to make a concerted effort to employ more persons with disabilities, in accordance with article 27 of the Convention on the Rights of Persons with Disabilities;

10. *Underscores* the importance of effective follow-up to the evaluation recommendations and requests UNDP to take them into account in future programming;

3 February 2017

2017/3
Evaluation of the pilot activities carried out under the UNDP direct budget support policy

The Executive Board

1. *Takes note* of the key evaluation findings from the two pilot projects in Burkina Faso and Nepal, as summarized in document DP/2017/10 ;

2. *Recognizes* that a primary role of UNDP in sector budget support should be to support national capacity-building and policy development;

3. *Takes note of* the current and anticipated demand for UNDP engagement in sector budget support in the context of the 2030 Agenda for Sustainable Development, and emphasizes that such engagement should be on an a limited basis and be based on a clearly expressed demand from the programme country;

4. *Recalls* Executive Board decision 2015/1, and encourages UNDP to continue to ensure that the specific fiduciary risks associated with these modalities are assessed, existing safeguards continue to be applied and improved on, and monitoring and audit processes are undertaken on a timely basis;

5. *Recommends* continuation of this funding mechanism as part of the options available to UNDP, on the basis of lessons learned from the evaluations noted in paragraph 1 above and relevant audits to date, subject to regular review by the Executive Board.

3 February 2017

2017/4
Thematic evaluation on UNFPA support to adolescents and youth (2008-2015)

The Executive Board

1. *Takes note* of the thematic evaluation on UNFPA support to adolescents and youth, 2008-2015 (DP/FPA/2017/CRP.1) and the management response (DP/FPA/2017/CRP.2);

2. *Requests* UNFPA to take into account the recommendations of the evaluation in its strategic and operational response, and to include an update on progress at the annual session of 2018.

3 February 2017

2017/5
Reports of UNDP, UNFPA and UNOPS on the implementation of the recommendations of the Board of Auditors for 2015

The Executive Board

1. *Recognizes* the high-risk environments in which UNDP, UNFPA and UNOPS as well as their implementing partners operate, and requests the entities to continue to strengthen measures to prevent, detect and respond to fraud.

With regard to UNDP

2. *Takes note* of the report (DP/2017/11) on the actions taken by UNDP and the United Nations Capital Development Fund (UNCDF) and the further actions planned to implement the recommendations of the Board of Auditors for the financial period that ended on 31 December 2015, as well as recommendations from prior years;

3. *Notes* the 2015 unqualified audit opinions issued by the United Nations Board of Auditors for both UNDP UNCDF;

4. *Takes note* of the progress made by UNDP in the final evaluation of the top eight audit-related priorities in 2014–2015;

5. *Supports* the ongoing efforts of UNDP management in addressing the revised top seven audit-related management priorities for the 2016–2017 biennium and in implementing the recommendations of the Board of Auditors for the year ended 31 December 2015;

6. *Encourages* UNDP to continue to strengthen programme management, oversight and reporting, including by improving programme quality and active risk management, in particular at country level, and to monitor the effectiveness of measures taken in that regard;

7. *Further encourages* UNDP to continue its efforts to enhance oversight and management of implementing partners, including ensuring compliance with UNDP policies and procedures, and assurance requirements, and urges UNDP to closely monitor implementation of the revised harmonized approach to cash transfers framework;

8. *Encourages* the continued efforts of UNDP to uncover and prevent procurement irregularities and other fraudulent practices and improve actions for recovery of funds, and underscores the importance of protecting whistle-blowers and ensuring that whistle-blower protections are both robust and well known to all staff members;

With regard to UNFPA

9. *Takes note* of the report (DP/FPA/2017/1) on the actions taken by UNFPA and the new measures planned by the organization for timely implementation of the recommendations of the Board of Auditors for the financial period that ended on 31 December 2015;

10. *Notes* the 2015 unqualified audit opinion issued by the Board of Auditors;

11. *Encourages* UNFPA to continue improving its internal control systems, especially with regard to risk management, including the need to develop risk mitigation strategies globally and at country level;

With regard to UNOPS

12. *Takes note* of the report (DP/OPS/2017/1) on the progress in the implementation of the various recommendations made for the year ended 31 December 2015 and the efforts currently in progress to ensure that the remaining recommendations are successfully implemented;

13. *Notes* the overall conclusion of the Board of Auditors that UNOPS has increased value of project implementation at an average of 14 per cent per year since 2012, despite the challenging environment in which it operates, and encourages

UNOPS to continue to enhance its risk and compliance framework, including analysing and managing the risk exposure of projects;

14. *Acknowledges* that because the recommendations were issued to UNOPS towards the end of July 2016 and because many of them require long-term attention, UNOPS will need to work beyond the financial year 2016 to implement them successfully.

3 February 2017

2017/6
Elaboration of the UNDP strategic plan, 2018-2021

The Executive Board

1. *Welcomes* the preparatory work done and the various informal meetings with the Executive Board on the process of elaboration of the UNDP strategic plan, 2018-2021;

2. *Requests* UNDP to engage constructively with UNFPA, the United Nations Children's Fund (UNICEF) and United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) to ensure a coherent approach of the four strategic plans (UNDP, UNFPA, UNICEF, UN-Women);

3. *Also requests* UNDP, in line with General Assembly resolution 71/243 of 21 December 2016 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system, to elaborate in its strategic plan on how it plans to engage in coherent and integrated support, as called for in the 2030 Agenda for Sustainable Development, and in this regard, further requests UNDP to work collaboratively with UNFPA, UNICEF and UN-Women on the development of a specific chapter in its strategic plan, outlining a common approach in supporting Member States towards the implementation of the 2030 Agenda, in accordance with each entity's mandate;

4. *Encourages* UNDP to collaborate with UNFPA, UNICEF and UN-Women to continue to harmonize their approaches to results reporting on their strategic plans, which, inter alia, will help to capture their contributions to collective outcomes;

5. *Requests* UNDP to provide all relevant documents at least 10 days prior to any consultation.

3 February 2017

2017/7
Elaboration of the UNFPA strategic plan, 2018-2021

The Executive Board

1. *Welcomes* the preparatory work done and the various informal meetings with the Executive Board on the process of elaboration of the UNFPA strategic plan, 2018-2021;

2. *Requests* UNFPA to engage constructively with UNDP, the United Nations Children's Fund (UNICEF) and United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) to ensure a coherent approach of the four strategic plans (UNDP, UNFPA, UNICEF, UN-Women);

3. *Also requests* UNFPA, in line with General Assembly resolution 71/243 of 21 December 2016 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system, to elaborate in its strategic plan on how it plans to engage in coherent and integrated support, as called for in the 2030 Agenda for Sustainable Development, and in this regard, further requests UNFPA to work

collaboratively with UNDP, UNICEF and UN-Women on the development of a specific chapter in its strategic plan, outlining a common approach in supporting Member States towards the implementation of the 2030 Agenda, in accordance with each entity's mandate;

4. *Encourages* UNFPA to collaborate with UNDP, UNICEF and UN-Women to continue to harmonize their approaches to results reporting on their strategic plans, which, inter alia, will help to capture their contributions to collective outcomes;

5. *Requests* UNFPA to provide all relevant documents at least 10 days prior to any consultation.

3 February 2017

2017/8
Overview of decisions adopted by the Executive Board at its first regular session 2017

The Executive Board

Recalls that during its first regular session 2017, it:

Item 1
Organizational matters

Elected the following members of the Bureau for 2017:

President:	H.E. Mr. Ib Petersen (Denmark)
Vice-President:	H.E. Mr. Omar Annakou (Libya)
Vice-President:	Mr. Talal Aljamali (Yemen)
Vice-President:	H.E. Ms. Laura Elena Flores Herrera (Panama)
Vice-President:	Ms. Carolina Popovici (Republic of Moldova)

Adopted the agenda and approved the workplan for its first regular session 2017 (DP/2017/L.1);

Approved the report of the second regular session 2016 (DP/2017/1);

Adopted the annual workplan of the Executive Board for 2017 (DP/2017/CRP.1);

Approved the tentative workplan for the annual session 2017;

Agreed to the following schedule for the remaining sessions of the Executive Board in 2017:

Annual session:	30 May to 9 June 2017
Second regular session:	5 to 11 September 2017.

UNDP segment

Adopted decision 2017/1, expression of appreciation to Ms. Helen Clark, Administrator of the United Nations Development Programme, 2009-2017;

Item 2

UNDP country programmes and related matters

Approved the following country programmes in accordance with decision 2014/7:

Africa: Botswana (DP/DCP/BWA/2); Chad (DP/DCP/TCD/3);
Latin America and the Caribbean: Haiti (DP/DCP/HTI/3);

Item 3
Evaluation

Adopted decision 2017/2 on the evaluation of the UNDP contribution to anti-corruption and addressing drivers of corruption and management response; and the evaluation of disability-inclusive development at UNDP and management response;

Item 4
Financial, budgetary and administrative matters

Adopted decision 2017/3 on the evaluation of the pilot activities carried out under the direct budget support policy;

UNFPA segment

Item 5
UNFPA: Country programmes and related matters

Approved the following UNFPA country programmes in accordance with decision 2014/7:

Botswana (DP/FPA/CPD/BWA/6); and Haiti (DP/FPA/CPD/HTI/6);

Approved the second one-year extension of the country programme for Somalia (DP/FPA/2017/3);

Item 6
Evaluation

Adopted decision 2017/4 on the thematic evaluation on UNFPA support to adolescents and youth (2008-2015);

UNOPS segment

Heard the UNOPS Executive Director give a statement;

Joint segment

Item 8
Recommendations of the Board of Auditors

Adopted decision 2017/5 on the recommendations of the Board of Auditors, related to the following reports: UNDP and United Nations Capital Development Fund (UNCDF): Report on the implementation of the recommendations of the Board of Auditors, 2015 (DP/2017/11); UNFPA: Follow-up to the report of the United Nations Board of Auditors for 2015: Status of implementation of recommendations (DP/FPA/2017/1); and UNOPS: Report on the implementation of the recommendations of the Board of Auditors for 2015 (DP/OPS/2017/1);

Item 9
Follow-up to the Joint United Nations Programme on HIV/AIDS (UNAIDS) Programme Coordinating Board Meeting

Took note of the report on the implementation of the decisions and recommendations of the Programme Coordinating Board of the Joint United Nations Programme on HIV/AIDS (DP/2017/12–DP/FPA/2017/2);

Item 10
Other matters

Adopted decision 2017/6 on the elaboration of the UNDP strategic plan, 2018-2021.
Adopted decision 2017/7 on the elaboration of the UNFPA strategic plan, 2018-2021.

Also held the following briefings, informal consultations and special events:

UNDP

Briefing on the road map to the UNCDF Strategic Framework, 2018-2021;
Briefing on the UNDP Strategic Plan, 2018-2021;
Briefing on the road map to the United Nations Volunteers Strategic Framework, 2018-2021;

UNFPA

Briefing on the UNFPA Strategic Plan, 2018-2021;
Briefing on UNFPA humanitarian response funding;
Special event: Data systems within the framework of the Sustainable Development Goals.

3 February 2017

2017/9
Special session 2017

The Executive Board

In accordance with Rule 1, paragraph 3 of the Rules of Procedure of the Executive Board, *decides* to convene a special session in November 2017 for the purpose of considering and adopting the UNDP strategic plan and integrated budget for the period 2018-2021.

8 June 2017

2017/10
Cumulative review of the UNDP Strategic Plan, 2014-2017 and annual report of the Administrator

The Executive Board

1. *Takes note* of the cumulative review of the third year of implementation of the Strategic Plan, 2014-2017 (document DP/2017/15) and its annexes;

2. *Takes note* of the enhanced analysis introduced by UNDP to identify reasons behind lower performance and report lessons learned as well as measures taken to improve identified weaknesses during the implementation of the Strategic Plan;

3. *Takes note* of the additional analysis provided in annex 1 presenting results achieved to date against the final 2017 targets by output;

4. *Urges* UNDP to accelerate progress and meet the 2017 targets as set out in the integrated results and resources framework for all development and institutional effectiveness outputs;

5. *Requests* UNDP to incorporate the lessons learned from the relevant analyses of performance under the current Strategic Plan, including the assessment of UNDP

institutional effectiveness and the evaluation of the Strategic Plan itself, in the formulation of the new strategic plan, and urges UNDP to strengthen outputs, outcome and impact indicators in consultation with programme implementing units in the organization;

6. *Recognizes* the inter-agency efforts made to harmonize the report card methodology and format, and requests UNDP to continue consultations with United Nations funds and programmes for further alignment of reporting;

7. *Urges* UNDP to continue to align its results architecture with the Sustainable Development Goals framework, in coordination with other United Nations funds and programmes, to help measure performance in supporting implementation of the 2030 Agenda;

8. *Requests* UNDP to include in its future annual reports information on the development context of countries while reporting on strategic plan outputs;

9. *Welcomes* the annual report of the Administrator on the implementation of the UNDP gender equality strategy in 2016 and the achievements in this regard;

10. *Expresses concern* that UNDP is not meeting all its benchmarks for projects that have gender equality as a principal objective and encourages UNDP to take necessary corrective measures in this regard;

11. *Notes* that the inclusion of gender equality results and indicators in the present Strategic Plan and integrated results and resources framework, as well as the gender equality strategy, have been useful to advance UNDP work on gender equality and women's empowerment, and requests UNDP to incorporate lessons learned from the implementation of the current gender equality strategy in the next strategic plan and integrated results and resources framework to further advance gender equality and women's empowerment.

8 June 2017

2017/11
Cumulative review of the UNDP integrated budget, 2014-2017

The Executive Board

1. *Takes note* of the cumulative review of the integrated budget, 2014-2017 (document DP/2017/16) and its annexes;

2. *Recalls* Executive Board decision 2015/16 which emphasized that regular resources are the bedrock of UNDP and essential to maintaining the multilateral, neutral and universal nature of its mandate and to carry out its work, and in this regard, encourages UNDP to further mobilize these resources while continuing to mobilize other resources to respond to the needs of all programme countries, particularly the poorest and most vulnerable;

3. *Expresses concern* about the negative effects of decreased funding, particularly on the UNDP capacity for programmatic activities, development effectiveness and provision of technical advisory services to country offices;

4. *Emphasizes* the need for UNDP to continue to improve transparency in the use of resources to achieve programme results and to enhance organizational effectiveness and efficiency and *requests* UNDP to present in its future financial planning and reports a higher level of detail on the way regular (core) resources are attributed and used, inter alia with regard to staff costs, programming arrangements, programmatic budget lines, oversight functions, development effectiveness and the special purpose activities budget line;

5. *Acknowledges* progress made by UNDP in cost alignment through implementation of the cost-recovery policy, notes that UNDP should make further progress and encourages UNDP contributors to adhere to the aspects of the cost-recovery policy approved by the Executive Board in decision 2013/9;

6. *Recalls* decision 2013/9 in which the Executive Board requested UNDP to recommend adjustments to the approved cost-recovery rates, as required, to be presented at the 2016 annual session of the Executive Board, notes that this process has been delayed and requests UNDP, together with UNFPA, UN-Women and UNICEF, to continue the consultations with Member States with regard to the cost-recovery policy and to present evidence-based proposals for harmonized cost-recovery policies of UNDP, UNFPA, UN-Women and UNICEF, with adjustments if required, for consideration by the respective Executive Boards no later than their annual sessions in 2018;

7. *Recalls* decision 2016/5 and requests UNDP to incorporate relevant lessons learned from the integrated budget, 2014-2017, inter alia with regard to results-based budgeting, in the preparation of the integrated budget for 2018-2021;

8. *Requests* that UNDP provide details on all relevant funding sources, including regular resources and, for informational purposes, other resources, in the development of the next integrated budget.

8 June 2017

2017/12
UNDP evaluation

The Executive Board

With regard to the annual report on evaluation, 2016 (document DP/2017/20):

1. *Takes note* of the summary and of the full annual report;

2. *Requests* UNDP to address the issues raised in the annual report and its UNDP management response;

3. *Approves* the 2017 proposed budget, requests that the Independent Evaluation Office budget reach 0.2 per cent of the UNDP budget, as stipulated in the UNDP evaluation policy, and approves the workplan for the Independent Evaluation Office for 2017;

4. *Requests* UNDP to further advance collaboration and joint evaluation work with other United Nations entities, especially United Nations funds and programmes;

5. *Encourages* UNDP management to work with the Independent Evaluation Office to continue its efforts to strengthen the quality and process of decentralized evaluations and to use the evaluations as learning and knowledge management tools to enhance future programmes;

With regard to the joint assessment of the institutional effectiveness of UNDP (document DP/2017/21) and the management response thereto (document DP/2017/22):

6. *Takes note* of the assessment, which is a collaborative joint effort of the Independent Evaluation Office and the Office of Audit and Investigations, its conclusions and recommendations, and the response from UNDP management;

7. *Notes* that the inclusion of organizational effectiveness and efficiency results and indicators in the Strategic Plan, 2014-2017 and integrated results and resources framework has been useful to advance organizational effectiveness and efficiency and to inform the Executive Board on progress in this regard;

8. *Requests* UNDP to implement the recommendations of the assessment, taking into account its findings and conclusions, and to draw lessons learned when developing the strategic plan, 2018-2021, and to include effectiveness and efficiency results indicators in the plan and the integrated results and resources framework, 2018-2021, to ensure adequate monitoring and evaluation of programmes, especially at country level;

9. *Requests* that UNDP continue its efforts to improve organizational effectiveness and efficiency by: (a) utilizing theories of change to underpin programming; strengthening results-based reporting; strengthening learning and knowledge management; strengthening a culture of learning; and improving transparency and accountability throughout the organization at all levels; and (b) assessing staffing, capacities and resources at regional centres and hubs, including their financial sustainability, to optimize the working model and knowledge management between headquarters, regional and country levels;

With regard to the evaluation of the strategic plan to be presented to the Executive Board at its second regular session 2017

10. *Requests* the Independent Evaluation Office to ensure the timely publication of the evaluation of the UNDP Strategic Plan, Global Programme and Regional Programmes, 2014-2017, in order for the evaluation to be considered by the Executive Board at the second regular session in September 2017, in the context of developing the new strategic plan;

11. *Requests* that UNDP build on lessons learned from the current Strategic Plan and Integrated Results and Resources Framework, 2014-2017, and the findings, conclusions and recommendations of relevant evaluations and the joint assessment of the institutional effectiveness of UNDP when developing the strategic plan and integrated results and resources framework, 2018–2021.

8 June 2017

2017/13

United Nations Capital Development Fund: integrated annual report on results for 2016 and cumulative report on the strategic framework, 2014-2017

The Executive Board

1. *Takes note* of the results achieved by the United Nations Capital Development Fund (UNCDF) in 2016;

2. *Notes* that the cumulative review of its strategic framework, 2014-2017, confirms the continued strong performance of UNCDF against set targets;

3. *Notes* however the negative impact of the shortfall in regular resources on the UNCDF country presence, innovation space, and capital investment flexibility;

4. *Expresses* concern that regular resources remain short of the $25 million per year target agreed in the strategic framework, and notes with concern that, as a result, the number of least developed countries (LDCs) supported by UNCDF is at risk of further decline;

5. *Welcomes* the steps taken to prepare the next UNCDF strategic framework, 2018-2021, in a consultative manner with the Board, and welcomes that as part of that process UNCDF has been developing results-to-resources scenarios to clarify the choices that can drive the UNCDF business and funding model in the future;

6. *Calls on* Member States in a position to do so to contribute to UNCDF regular resources to ensure that it can reach the target of $25 million per year in regular resources;

7. *Recognizes* the strategic positioning of UNCDF in the current financing for development landscape and the strong relevance of UNCDF innovations and 'last mile' finance models in catalysing additional resources into LDCs, and to this end encourages UNCDF to continue optimizing its financial toolbox through its effective use of grants, loans, and guarantees.

8 June 2017

2017/14
Annual report of the UNFPA Executive Director: progress made in implementing the strategic plan, 2014-2017

The Executive Board

1. *Takes note* of the documents that make up the report of the Executive Director, DP/FPA/2017/4 (Part I, Part I Add.1 and Part II), including the relevant annexes available on the UNFPA website;

2. *Notes with appreciation* the progress achieved in implementing the results frameworks of the UNFPA strategic plan, 2014-2017;

3. *Requests* that UNFPA take into account the findings and conclusions of and build on and integrate lessons learned from the current strategic plan and integrated results and resources framework for 2014-2017, and the findings, conclusions and recommendations of relevant evaluations, including the evaluation of the architecture supporting the operationalization of the UNFPA strategic plan, 2014-2017, when developing the strategic plan and integrated results and resources framework for 2018-2021;

4. *Requests* UNFPA management to provide an oral update to the Executive Board, at its second regular session 2017, and also to report, at its annual session 2018, on the implementation of the seven recommendations of the evaluation of the architecture supporting the operationalization of the UNFPA strategic plan, 2014-2017;

5. *Recognizes* the inter-agency efforts made to harmonize the report methodology and format, and requests UNFPA to continue consultations with United Nations funds and programmes for further alignment of reporting;

6. *Urges* UNFPA to continue to align its results architecture with the Sustainable Development Goals framework, in coordination with other United Nations funds and programmes, to help measure performance in supporting implementation of the 2030 Agenda;

7. *Requests* UNFPA to include in its future annual reports a more detailed analysis and reflection on the challenges and lessons learned per outcome area and on the collaboration and coordination within the United Nations system;

8. *Encourages* UNFPA in its future annual reports to include a more detailed analysis of the results achieved with regular (core) resources;

9. *Expresses concern* about the negative effects of decreased funding on achieving the outputs of the strategic plan, and, in this regard, requests UNFPA, to further explore incentives and mechanisms to encourage donor countries and other countries in a position to do so to increase and prioritize regular resources contributions to facilitate a shift to less restricted other resources, aligned to the strategic plan, and to broaden the donor base and attract new sources of funding, including through new approaches to resource mobilization and new forms of support from diversified sources;

10. *Welcomes* the different efficiency measures implemented by UNFPA management, *and urges* UNFPA to build on its efforts in this regard;

In relation to the development of the integrated budget, 2018-2021

11. *Emphasizes* the need for UNFPA to continue to improve transparency in the use of resources to achieve programme results and to enhance organizational effectiveness and efficiency, *and requests* UNFPA to present in its future financial planning and reports a higher level of detail on the way regular (core) resources are attributed and used;

12. *Acknowledges* progress made by UNFPA in cost alignment through implementation of the cost-recovery policy, notes that UNFPA should make further progress, and encourages UNFPA contributors to adhere to the aspects of the cost-recovery policy approved by the Executive Board in decision 2013/9;

13. *Recalls* decision 2013/9, in which the Executive Board requested UNFPA to recommend adjustments to the approved cost-recovery rates, as required, to be presented at the 2016 annual session of the Executive Board, notes that this process has been delayed, and requests UNFPA, together with UNDP, UNICEF and UN-Women, to continue the consultations with Member States with regard to the cost-recovery policy and to present evidence-based proposals for harmonized cost-recovery policies of UNDP, UNFPA, UNICEF and UN-Women, with adjustments, if required, for consideration by the respective Executive Boards no later than their annual sessions in 2018.

8 June 2017

2017/15
UNFPA evaluation

The Executive Board

1. *Takes note* of the present report on the evaluation function at UNFPA (DP/FPA/2017/5);

2. *Also takes note* of the Evaluation Office workplan for 2017 (annex I);

3. *Reaffirms* the role played by the evaluation function at UNFPA and underscores the importance of high-quality independent evaluation evidence in supporting the new UNFPA strategic plan, 2018-2021, and contributing to the implementation of the 2030 Agenda for Sustainable Development;

4. *Encourages* UNFPA management to work with the Evaluation Office to continue its efforts to strengthen the implementation rate and coverage of decentralized evaluations and to use the evaluations as learning and knowledge management tools to enhance future programmes;

5. *Requests* UNFPA to further advance collaboration and joint evaluation work with other United Nations entities, especially United Nations funds and programmes;

6. *Also requests* the Evaluation Office to present a revision of the current quadrennial evaluation plan, focusing on the remaining period (2018-2019), and propose the inclusion of 2020-2021 in the plan, aligning it with the forthcoming UNFPA strategic plan, 2018-2021;

7. *Further requests* a report on the state of the evaluation function at UNFPA in 2018.

8 June 2017

2017/16
Annual report of the UNOPS Executive Director

The Executive Board

1. Recognizes the contributions of UNOPS to the operational results of Governments, the United Nations and other partners in 2016, through efficient management support services and effective specialized technical expertise, expanding the implementation capacity for sustainable development;

2. *Takes note* of the progress made in advancing the potential for facilitating partnerships for social impact investments in the areas of the UNOPS mandate;

3. *Acknowledges* efforts made to enhance reporting on the contributions of UNOPS to partners' sustainable results, including the pursuit of best practices and recognized standards;

4. *Welcomes* the progress made in implementing the UNOPS strategic plan, 2014-2017, as calibrated through the midterm review, which reconfirms the viability of its unique demand-driven business model and establishes strong foundations for UNOPS to support Member States' achievement of the 2030 Agenda;

5. *Also welcomes* the UNOPS annual report on the recommendations of the Joint Inspection Unit and the considerable progress made in implementing recommendations of relevance to UNOPS.

8 June 2017

2017/17
Reports of UNDP, UNFPA and UNOPS on internal audit and investigations

The Executive Board

1. *Welcomes* the progress of UNDP, UNFPA and UNOPS in addressing audit-related management issues in 2016;

2. *Notes* the efforts to implement outstanding audit recommendations from previous reports, and calls for further improvement;

3. *Recalls* decision 2016/13, in which the Board expressed concern about recurring weaknesses for both UNDP and UNFPA related to programme management, procurement, governance and financial management, notes that similar challenges have been identified in the 2016 reports, and underscores the urgent need to intensify efforts to address these issues;

4. *Takes note with concern* of the 'partially satisfactory' rating for 2016 in the opinions on the governance, risk management and control frameworks of UNDP and UNFPA, and urges UNDP and UNFPA to prioritize action to address the findings and recommendations on their respective governance, risk management and control frameworks;

With regard to UNDP

5. *Takes note* of the report on internal audit and investigations (DP/2017/26);

6. *Takes note with appreciation* of the annual report of the Audit and Evaluation Advisory Committee;

7. *Requests* management to continue to strengthen the internal audit and investigation oversight of UNDP in all areas, including procurement, programme management, financial management and fraud detection;

8. *Expresses particular concern* that weaknesses in procurement management have become a recurring issue in the audit reports, and expects UNDP to rectify this in a more thorough and strategic manner;

9. *Welcomes* the establishment by UNDP of a cross-functional task force to increase the rate of recovery of defrauded assets and the improvement in recovery of funds, and urges UNDP to further its efforts in this matter;

10. *Requests* management to provide regular updates on recovery of assets, including recovery trends, to the Executive Board at its annual session;

With regard to UNFPA

11. *Takes note* of the report on internal audit and investigation activities of the UNFPA Office of Audit and Investigation Services (DP/FPA/2017/6), the opinion, based on the scope of work undertaken, on the adequacy and effectiveness of the UNFPA framework of governance, risk management and control (DP/FPA/2017/6/Add.1), the annual report of the Audit Advisory Committee (DP/FPA/2017/6/Add.2), and the management response (DP/FPA/2017/CRP.4) thereto and to the present report;

12. *Expresses* its continuing support for the audit and investigation functions at UNFPA, and for the provision of appropriate and sufficient resources to discharge their mandate, including by filling all vacancies in the Office of Audit and Investigation Services with competent personnel;

13. *Notes* the Audit Advisory Committee's concern regarding delays in the audit process, and urges UNFPA management to facilitate the audit process in a timely manner;

14. *Acknowledges and supports* the engagement of the Office of Audit and Investigation Services in joint audit and investigation activities;

With regard to UNOPS

15. *Takes note* of the annual report of the Internal Audit and Investigations Group for 2016 and the management response thereto;

16. *Takes note* of the progress made in implementation of audit recommendations, including those that are more than 18 months old;

17. *Takes note* of the opinion, based on the scope of work undertaken, on the adequacy and effectiveness of the organization's framework of governance, risk management and control (in line with Executive Board decision 2015/13);

18. *Takes note* of the annual report of the Audit Advisory Committee for 2016 (in line with Executive Board decision 2008/37).

8 June 2017

2017/18
Reports of the ethics offices of UNDP, UNFPA and UNOPS

The Executive Board

1. *Welcomes* the reports of the ethics offices of UNDP, UNFPA and UNOPS (DP/2017/27, DP/FPA/2017/7 and DP/OPS/2017/4);

2. *Urges* UNDP, UNFPA and UNOPS to continue to provide adequate resources to their ethics offices to ensure that they can carry out their work effectively;

3. *Encourages* UNDP, UNFPA and UNOPS and their respective ethics offices to continue efforts to ensure that ethics remains a guiding force in their business operations;

With regard to UNDP

4. *Notes* the progress made by the UNDP Ethics Office in strengthening the ethical culture in UNDP, including training, raising ethics awareness and protection against retaliation;

5. *Further notes* the successful implementation in 2016 of all prior open UNDP Ethics Office management recommendations and the overall improvement in responses to ethics-related questions in the latest UNDP general staff survey;

With regard to UNFPA

6. *Notes* the progress of the work of the UNFPA Ethics Office, and takes note of its recommendations made to management.

8 June 2017

2017/19
Overview of decisions adopted by the Executive Board at its annual session 2017

The Executive Board

Recalls that during its annual session 2017, it:

Item 1
Organizational matters

Adopted the agenda and approved the workplan for its annual session 2017 (DP/2017/L.2);

Approved the report of the first regular session 2017 (DP/2017/13);

Approved the tentative workplan for the second regular session 2017;

Adopted decision 2017/9 in which it decided to convene a special session in November 2017 for the purpose of considering and adopting the UNDP strategic plan and integrated budget for the period 2018-2021;

Agreed to the following schedule for the remaining sessions of the Executive Board in 2017:

Second regular session:	5 to 11 September 2017
Special session:	November 2017.

UNDP segment

Item 2
Annual report of the Administrator

Adopted decision 2017/10 on the cumulative review of the UNDP Strategic Plan, 2014-2017 and annual report of the Administrator.

Item 3
Financial, budgetary and administrative matters

Adopted decision 2017/11 on the cumulative review of the UNDP integrated budget, 2014-2017.

Item 4
UNDP strategic plan, 2018-2021

Heard presentations and commented on the zero draft of the strategic plan (DP/2017/CRP.2) and integrated results and resources framework for 2018-2021.

Item 5
Gender equality at UNDP

Took note of the annual report on the implementation of the UNDP gender equality strategy in 2016 (DP/2017/18).

Item 6
Human Development Report

Took note of the update on the Human Development Report consultations.

Item 7
Country programmes and related matters

Approved the following country programme in accordance with decision 2014/7: Cameroon (DP/DCP/CMR/3);

Took note of the first one-year extensions of the country programmes for Lesotho and Liberia, already approved by the Administrator (DP/2017/19);

Approved the second one-year extension of the country programme for Burundi (DP/2017/19).

Item 8
Evaluation

Adopted decision 2017/12 on the annual report on evaluation, 2016 and the joint assessment of the institutional effectiveness of UNDP and management response.

Item 9
United Nations Capital Development Fund

Adopted decision 2017/13 on the UNCDF integrated annual report on results for 2016 and cumulative report on the strategic framework, 2014-2017.

UNFPA segment

Item 10
Annual report of the UNFPA Executive Director

Adopted decision 2017/14 on the annual report of the UNFPA Executive Director: progress made in implementing the strategic plan, 2014-2017.

Item 11
UNFPA evaluation

Adopted decision 2017/15 on UNFPA evaluation.

Item 12
UNFPA strategic plan, 2018-2021

Heard presentations and commented on the draft UNFPA strategic plan, 2018-2021 (DP/FPA/2017/CRP.6) and related annexes.

Item 13
UNFPA country programmes and related matters

Approved, in accordance with decision 2014/7, the UNFPA country programme for Cameroon (DP/FPA/CPD/CMR/7);

Took note of the one-year extension for the UNFPA country programme for Nicaragua (DP/FPA/2017/8).

UNOPS segment

Item 14
United Nations Office for Project Services

Adopted decision 2017/16 on the annual report of the Executive Director.

Joint segment

Item 15
Internal audit and oversight

Adopted decision 2017/17 on the reports of UNDP, UNFPA and UNOPS on internal audit and investigations.

Item 16
Reports of the ethics offices of UNDP, UNFPA and UNOPS

Adopted decision 2017/18 on the reports of the ethics offices of UNDP, UNFPA and UNOPS.

Also held the following briefings, informal consultations and special events:

UNDP

Briefing on the preliminary findings and conclusions of the evaluation of the UNDP Strategic Plan, 2014-2017, and Global and Regional Programmes, and preliminary management response;

Briefing on the early findings of the evaluation of the United Nations Volunteers programme (UNV) strategic framework 2014-2017 results, and the UNV strategic framework, 2018-2021;

Briefing on the UNCDF strategic framework, 2018-2021;

Informal consultation on the UNDP integrated budget, 2018-2021;

UNFPA

Tribute to the late Dr. Babatunde Osotimehin, Executive Director of UNFPA;
Informal consultation on the UNFPA integrated budget, 2018-2021.

8 June 2017

2017/20
UNDP structured funding dialogue

The Executive Board

1. *Takes note of* the annual review of the financial situation, 2016 (DP/2017/30 and DP/2017/30/Add.1) and the report on the status of regular funding commitments to UNDP and its funds and programmes for 2017 and onwards (DP/2017/31);

2. *Emphasizes* that regular resources, because of their untied nature, are the bedrock of UNDP and essential to maintaining the multilateral, neutral and universal nature of its mandate and to carry out its work, and in this regard, reiterates the need for UNDP to address, on a continuous basis, the imbalance between core/regular and non-core/other resources, while continuing to mobilize other resources to respond to the needs of all programme countries, particularly the poorest and most vulnerable;

3. *Requests* that UNDP improve future structured funding dialogues in line with decision 2017/11 and in that regard, requests UNDP to present a proposal to the Board no later than the second regular session of 2018 on how it plans to use structured funding dialogues as a tool to improve the quality and transparency of funding and better match resources to the outcomes of the strategic plan 2018-2021;

4. *Encourages* UNDP to present to the Board, for the structured funding dialogues, an overview of funding gaps and an analysis of their impact on the implementation of the strategic plan, taking into account both regular and other resources;

5. *Urges* Member States to continue their dialogue with UNDP on the importance of regular resources and flexible other resources, as the restrictive nature of earmarked resources could limit the UNDP capacity to deliver on its strategic results;

6. *Recalls* the importance of funding predictability and of the effective use of the resources entrusted to UNDP;

7. *Urges* donor countries and other countries in a position to do so to maintain and substantially increase their contributions, in a manner consistent with their capacities, to the core/regular budget of UNDP and to contribute on a multi-year basis, in a sustained, timely and predictable manner;

8. *Encourages* those countries which have not contributed to regular resources in the past to consider doing so;

9. *Requests* UNDP to continue the dialogue with programme countries with respect to fulfilling their contributions to government local office costs;

10. *Urges* UNDP to consider the importance of greater efficiency and effectiveness as part of the dialogue related to the strategic plan and integrated budget for 2018-2021, without negatively affecting programme delivery;

11. *Urges* UNDP to take a more a proactive role by engaging in strategic financing dialogues directly with Member States and other funding partners, in full respect of General Assembly decision 70/224 of 23 February 2016 on global partnerships, with a view to diversifying potential sources of funding, especially core funding, in alignment with the core principles of the United Nations development system and General Assembly resolution 71/243 of 21 December 2016 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system, with full respect for the national priorities of programme countries;

12. *Notes* the negative impact of currency fluctuations on both regular and other resources, welcomes the efforts taken to manage exchange rate fluctuations through hedging and urges UNDP to further develop its response to currency fluctuations;

13. *Encourages* UNDP, in collaboration with UNFPA, UNICEF and UN-Women, to find effective and practicable ways to harmonize administrative and financial systems to facilitate joint programming and implementation, and to present information on progress made in this regard to the Executive Board.

11 September 2017

2017/21
Evaluation of the UNDP strategic plan, global and regional programmes, 2014-2017, and management response

The Executive Board

1. *Takes note of* the evaluation of the UNDP Strategic Plan and global and regional programmes, 2014–2017 (DP/2017/32), and the management response thereto (DP/2017/33);

2. *Requests* the Independent Evaluation Office to ensure adequate and comprehensive coverage of all aspects of the UNDP mandate, in particular focusing on UNDP work on poverty reduction, as provided for in decision 2016/17, in future evaluations of the strategic plans;

3. *Emphasizes* that the overarching objectives of UNDP should remain consistent with the Charter of the United Nations and General Assembly resolution 71/243 of 21 December 2016 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system, to help address and meet national development priorities and needs;

4. *Requests* UNDP to take into account, as appropriate, the recommendations of all relevant evaluations when formulating the next strategic plan for 2018-2021, and related global and regional programmes;

5. *Requests* UNDP leadership to continue to enhance efforts to create an environment that welcomes critical reflection and continuous organizational learning for improved results and institutional effectiveness, and to make significant progress towards results-based budgeting and assessing programmes' value for money;

6. *Requests* that the UNDP Independent Evaluation Office provide at the first regular session 2018 a new multi-year evaluation plan that includes a comprehensive evaluation of the next UNDP strategic plan, to be carried out at its conclusion in four years' time.

11 September 2017

2017/22
Review of the United Nations Capital Development Fund operational reserve

The Executive Board

1. *Recalls* decision 79/21 of the Governing Council (now the Executive Board), which approved the current methodology for determining the operational reserve;

2. *Takes note of* the present management review of the UNCDF operational reserve, based on the independent analysis undertaken to assess alternative methodologies for calculating the UNCDF operational reserve, for regular and other resources;

3. *Approves* the formula recommended by UNCDF management for calculating the level of the operational reserve for regular and other resources;

4. *Requests* inclusion of the results arising from the revised methodology in the UNCDF budget and financial statements commencing in 2017.

11 September 2017

2017/23
UNFPA strategic plan, 2018-2021

The Executive Board

1. *Welcomes* the transparent and consultative process undertaken by UNFPA in developing the strategic plan, 2018-2021 (DP/FPA/2017/9);

2. *Notes* the efforts undertaken by UNFPA to align its strategic plan with United Nations General Assembly resolution 70/1 on the 2030 Agenda for Sustainable Development and with General Assembly resolution 71/243 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system;

3. *Endorses* the UNFPA strategic plan, 2018-2021 (DP/FPA/2017/9), and *takes note* of its annexes and the common chapter, subject to the provisions of the present decision;

4. *Requests* UNFPA, if changes are made to the common chapter, to align it with UNDP, UNICEF and UN-Women after endorsement by their respective Executive Boards, and resubmit it for endorsement by the UNFPA Executive Board, and *encourages* UNFPA to provide details on its implementation in its annual reporting and, when applicable and as appropriate, at the joint meeting of the executive boards of UNDP/UNFPA/UNOPS, UNICEF, UN-Women and WFP;

5. *Also requests* UNFPA to provide baselines and targets for the integrated results and resources framework (annex 1) at the first regular session 2018 of the Executive Board;

6. *Further requests* UNFPA to implement its strategic plan, its annexes and the common chapter in accordance with the Programme of Action of the International Conference on Population and Development, the Beijing Declaration and Platform for Action and the outcome documents of their reviews, while taking note of the outcome documents of the regional review conferences on population and development, and stressing that those outcomes provide region-specific guidance on population and development beyond 2014 for each region that adopted the particular outcome document, as well as in accordance with the 2030 Agenda for Sustainable Development, with the agreement and consent of the host country, taking into account the different national legislation and cultural backgrounds, capacities and levels of development, and respecting national policy space, while remaining consistent with relevant international rules and commitments, and in conformity with universally recognized international human rights;

7. *Requests* UNFPA to present in the annual report of the Executive Director the progress on the implementation of the UNFPA strategic plan, 2018-2021, and *also requests* UNFPA to present a midterm review of its strategic plan, 2018-2021, its annexes and the common chapter, to the Executive Board at its annual session 2020, taking into account decisions by Member States on the Secretary-General's proposals responding to General Assembly resolution 71/243.

11 September 2017

2017/24
UNFPA integrated budget, 2018-2021

The Executive Board

1. *Welcomes* the UNFPA integrated budget, 2018-2021 (DP/FPA/2017/10), submitted in conjunction with the UNFPA strategic plan, 2018-2021 (DP/FPA/2017/9);

2. *Requests* UNFPA to revise the integrated budget, 2018-2021, based on the results of the comprehensive resources review, in order to increase efficiency and improve the balance between the institutional budget and programmes, in light of the overall decrease in expected resources, with the revised budget to be presented at the second regular session of 2018;

3. *Also requests* UNFPA to take a strategic approach in continuing to identify further savings and efficiency measures, ensuring that functions that contribute to organizational effectiveness and efficiency outputs under the strategic plan, 2018-2021, are maintained;

4. *Welcomes* the improved results focus and the enhanced linkages with the strategic plan results and harmonized methodology and presentation, including cost classification, attribution and recovery;

5. *Takes note* of the results and resource requirements in the UNFPA integrated budget estimates for 2018-2021, including linkages of results and resources, as contained in document DP/FPA/2017/10;

6. *Also takes note* of the presentation of activities and associated costs reflected in document DP/FPA/2017/10, with a deferral of the establishment of the Premise Capital Plan, as outlined in the revised table 1 on the integrated resource plan, 2018-2021, shared on 6 September 2017 [DP/FPA/2017/10/Corr.1];

7. *Approves* the gross resources in the amount of $708.4 million, representing the institutional budget estimates for 2018-2021, *notes* that these estimates include an amount of $146.8 million for indirect cost recovery from other resources, and *further notes* that any additional resources mobilized should be attributed to programming;

8. *Authorizes* $153.9 million of the projected regular resources, as a ceiling for global and regional interventions for 2018-2021, noting that this amount cannot be exceeded without approval by the Executive Board, and *requests* UNFPA to report on implementation of, and funds spent on, global and regional interventions in an annex to the annual report of the Executive Director;

9. *Recalls* Executive Board decision 2015/3, *approves* an annual amount of $5 million of regular resources for the emergency fund and the humanitarian response reserve, and *reaffirms* the existing authorization for the UNFPA Executive Director to increase the emergency fund by up to $2 million beyond the ceiling in a given year if the number and extent of the emergencies so warrant;

10. *Endorses* the proposal of the Executive Director, similar to decisions 2008/6, 2012/13 and 2013/32, *decides* to grant exceptional authority during 2018-2021 to access up to an additional $5.4 million in regular resources for security measures, provided these are used

for new and emerging security mandates, as defined by the directives of the United Nations Department of Safety and Security, and *requests* UNFPA to report to the Executive Board on the use of those funds in its annual statistical and financial review.

11 September 2017

2017/25
UNFPA structured funding dialogue

The Executive Board

1. *Takes note* of the report on contributions by Member States and others to UNFPA and revenue projections for 2017 and future years (DP/FPA/2017/11);

2. *Emphasizes* that regular resources are the bedrock of UNFPA and essential to maintaining the multilateral, neutral and universal nature of its mandate and to carry out its work, and encourage UNFPA to further mobilize these resources while continuing to mobilize supplementary resources for thematic funds and programmes;

3. *Requests* that UNFPA improve future structured funding dialogues and in that regard, *also requests* UNFPA to present a proposal to the Board no later than the second regular session of 2018 on how it plans to use structured funding dialogues as a tool to improve the quality and transparency of funding and better match resources to the outcomes of the strategic plan 2018-2021;

4. *Encourages* UNFPA to present to the Board, for the structured funding dialogues, an overview of funding gaps and an analysis of their impact on the implementation of the strategic plan, taking into account both regular and other resources;

5. *Encourages* all Member States to increase their contributions to regular resources, not least to ensure that UNFPA can cover the current critical gap in core resources, and also encourages countries in a position to do so to make contributions during the first half of the year and to make multi-year pledges in order to ensure effective programming;

6. *Also encourages* all programme country Governments to expand their contributions to programmes in their own countries;

7. *Requests* UNFPA to continue to further explore incentives and mechanisms to encourage donor countries and Member States in a position to do so to increase and prioritize regular resources contributions, including through continued improvement in transparency in the use of resources and linking of funding to results, to facilitate a shift to less restricted other resources, aligned to the Strategic Plan, and to broaden the donor base and attract new sources of funding, including through new approaches to resource mobilization and new forms of support from diversified sources;

8. *Further requests* UNFPA to continue to elaborate proposals for predictable and sustainable funding of the strategic plan and to regularly engage with the Executive Board on funding issues throughout the year;

9. *Emphasizes* that UNFPA needs strong political and increased financial support as well as predictable regular resources, in order to enhance its assistance to countries, to fully integrate the agenda of the International Conference on Population and Development into national development strategies and frameworks, to achieve the internationally agreed development goals, and to support countries in advancing the 2030 Agenda for Sustainable Development.

10. *Notes* the negative impact of currency fluctuations on both regular and other resources, welcomes the efforts taken to manage exchange rate fluctuations through hedging and urges UNFPA to further develop its response to currency fluctuations;

11. *Encourages* UNFPA, in collaboration with UNDP, UNICEF and UN-Women, to find effective and practicable ways to harmonize administrative and financial systems to facilitate joint programming and implementation, and to present information on progress made in this regard to the Executive Board.

11 September 2017

2017/26
UNOPS strategic plan, 2018-2021

The Executive Board

1. *Endorses* the strategic plan, 2018-2021, recognizing its solid foundation in Member State decisions, policy guidance and international agreements and the needs of people and countries, including in the most fragile situations;

2. *Expresses* support for the strategic goals of UNOPS and the ambition it has set out to achieve to fulfil its mission, vision and purpose;

3. *Encourages* the UNOPS approach of embedding sustainable implementation practices;

4. *Supports* the ambition to focus knowledge management on efforts to harness expertise for integrated service offerings and specialized solutions, based on realized or anticipated demand towards specific goals and operational contexts;

5. *Expresses* its appreciation for the UNOPS intent to engage more strategically with Governments and other partners;

6. *Urges* entities of the United Nations system to recognize the comparative advantages and technical expertise of UNOPS and engage in collaborative strategic partnerships for efficiency and effectiveness, including at the country level;

7. *Encourages* UNOPS in its continued pursuit of organizational excellence and attention to ensuring investment to build organizational capabilities and protect its unique business model for the future.

11 September 2017

2017/27
UNOPS biennial budget estimates, 2018-2019

The Executive Board

1. *Approves* the net revenue target;

2. *Endorses* the two-year aspiration of UNOPS with respect to its management results and the targeting of resources to support its contribution goals.

11 September 2017

2017/28
Annual statistical report on the procurement activities of the United Nations system, 2016

The Executive Board

1. *Takes note of* the annual statistical report on the procurement activities of the United Nations system, 2016 (DP/OPS/2017/8);

2. *Welcomes* the data and analysis contained therein.

11 September 2017

2017/29
Overview of the decisions adopted by the Executive Board at its second regular session 2017

The Executive Board

Recalls that during its second regular session 2017, it

Item 1
Organizational matters

Adopted the agenda and approved the workplan for its second regular session 2017 (DP/2017/L.3);

Approved the report of the annual session 2017 (DP/2017/28);

Approved the tentative workplans for the special session 2017 and the first regular session 2018.

UNDP segment

Items 2 and 4
Annual report of the Administrator and UNDP strategic plan, 2018-2021, including financial, budgetary and administrative matters

Heard a statement by the Administrator and held discussions on the preparation of the strategic plan and integrated budget, 2018-2021, to be adopted at the special session on 28 November 2017.

Item 3
UNDP structured funding dialogue

Adopted decision 2017/20 on the UNDP structured funding dialogue.

Item 5
UNDP evaluation

Adopted decision 2017/21 on the evaluation of the UNDP Strategic Plan, global and regional programmes, 2014-2017, and management response.

Item 6
UNDP country programmes and related matters

Approved the following country programmes in accordance with decision 2014/7

Africa: Central African Republic (DP/DCP/CAF/3); Guinea (DP/DCP/GIN/3); and Nigeria (DP/DCP/NGA/3).

Arab States: Sudan (DP/DCP/SDN/3).

Asia and the Pacific: India (DP/DCP/IND/3); Nepal (DP/DCP/NPL/3); Papua New Guinea (DP/DCP/PNG/2); Sri Lanka (DP/DCP/LKA/3); and the subregional programme for the Pacific Island countries and territories (DP/DSP/PIC/2).

Europe and the Commonwealth of Independent States: Kyrgyzstan (DP/DCP/KGZ/3); Republic of Moldova (DP/DCP/MDA/3); and Ukraine (DP/DCP/UKR/3).

Latin America and the Caribbean: Bolivia (DP/DCP/BOL/3); Costa Rica (DP/DCP/CRI/3); and Dominican Republic (DP/DCP/DOM/3).

Took note of the first one-year extensions of the country programmes for the Democratic Republic of the Congo, Equatorial Guinea, South Sudan and the Syrian Arab Republic from 1 January to 31 December 2018 and the first 15-month extension of the country programme for South Africa from 1 January 2018 to 31 March 2019, already approved by the Administrator (DP/2017/35);

Approved the exceptional fourth one-year extension of the country programme for Libya from 1 January to 31 December 2018 and the third two-year extension of the country programme for Yemen from 1 January 2018 to 31 December 2019 (DP/2017/35).

Item 15
United Nations Capital Development Fund

Adopted decision 2017/22 on the UNCDF operational reserve.

UNFPA segment

Item 7
UNFPA strategic plan, 2018-2021

Adopted decision 2017/23 on the UNFPA strategic plan, 2018-2021.

Item 8
UNFPA integrated budget, 2018-2021

Adopted decision 2017/24 on the UNFPA integrated budget, 2018-2021.

Item 9
UNFPA structured funding dialogue

Adopted decision 2017/25 on the UNFPA structured funding dialogue.

Item 10
UNFPA country programmes and related matters

Approved, in accordance with decision 2014/7, the following UNFPA country programmes:

Arab States: Somalia (DP/FPA/2017/SOMA/8); State of Palestine (DP/FPA/CPD/PSE/6); Sudan (DP/FPA/CPD/SDN/9);

Asia and the Pacific: India (DP/FPA/CPD/IND/9); Myanmar (DP/FPA/CPD/MMR/4); Nepal (DP/FPA/CPD/NPL/8); Pakistan (DP/FPA/CPD/PAK/9); Papua New Guinea (DP/FPA/CPD/PNG/6); Sri Lanka (DP/FPA/CPD/LKA/9); and subregional programme for the Pacific island countries (DP/FPA/CPD/PIC/6);

Eastern Europe and Central Asia: Kyrgyzstan (DP/FPA/CPD/KGZ/4); Moldova (DP/FPA/CPD/MDA/3); Ukraine (DP/FPA/CPD/UKR/3);

Latin America and the Caribbean: Bolivia (DP/FPA/CPD/BOL/6); Costa Rica (DP/FPA/CPD/CRI/8); Dominican Republic (DP/FPA/CPD/DOM/6);

West and Central Africa: Burkina Faso (DP/FPA/CPD/BFA/8); Gabon (DP/FPA/CPD/GAB/7); Guinea (DP/FPA/CPD/GIN/8); Nigeria (DP/FPA/CPD/NGA/8);

Took note of the first one-year extensions of the country programmes for Democratic Republic of the Congo, Equatorial Guinea, Lesotho, Liberia, South Sudan, and Syrian Arab Republic;

Approved the 15-month extension of the country programme for South Africa, the third, one-year extension of the country programme for Burundi and the third, two-year extension of the country programme for Yemen (DP/FPA/2017/13).

UNOPS segment

Item 11
United Nations Office for Project Services

Adopted decision 2017/26 on the UNOPS strategic plan, 2018-2021;

Adopted decision 2017/27 on the UNOPS biennial budget estimates, 2018-2019;

Joint segment

Item 12
Financial, budgetary and administrative matters

Adopted decision 2017/28 on the annual statistical report on the procurement activities of the United Nations system, 2016;

Item 13
Follow-up to UNAIDS Programme Coordinating Board meeting

Took note of the report on the implementation of decisions and recommendations of the Programme Coordinating Board of the Joint United Nations Programme on HIV/AIDS (DP/2017/37-DP/FPA/2017/12);

Item 14
Field visits

Took note of the report on the joint UNDP/UNFPA/UNOPS, UNICEF, UN-Women, WFP field visit to Nepal;

Item 15
Other matters

Heard a statement by the Chairperson of the UNDP/UNFPA/UNOPS/UN-Women Staff Council;

Also held the following briefings, informal consultations and special events:

UNDP

Briefing on the UNDP strategic framework, 2018-2021

Briefing on the United Nations Volunteers programme strategic framework, 2018-2021;

UNFPA

Briefing on the UNFPA Innovation Initiative.

TENTATIVE WORKPLAN
EXECUTIVE BOARD OF UNDP, UNFPA and UNOPS
SPECIAL SESSION 2017
(28 November 2017, New York)

Day date	*Time*	*Item*	*Subject*
Tuesday, 28 November	10 a.m. – 1 p.m.	1	ORGANIZATIONAL MATTERS • Adoption of the agenda for the session **UNDP segment** STATEMENT BY THE ADMINISTRATOR
		2	UNDP STRATEGIC PLAN, 2018-2021 • UNDP Strategic Plan, 2018-2021
		3	FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS • UNDP integrated budget, 2018-2021 • Report of the ACABQ on the UNDP integrated budget, 2018-2021
	3 – 6 p.m.	2, 3	UNDP STRATEGIC PLAN, 2018-2021 FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS
		4	OTHER MATTERS • Adoption of draft decisions

TENTATIVE WORKPLAN
EXECUTIVE BOARD OF UNDP, UNFPA and UNOPS
FIRST REGULAR SESSION 2018
(22 – 26 January 2018, New York)

Day Date	*Time*	*Item*	*Subject*
Monday, 8 January	10 – 11 a.m.		Election of the Bureau of the Executive Board for 2018
Monday, 22 January	10 a.m. – 1 p.m.	1	ORGANIZATIONAL MATTERS • Adoption of the agenda and workplan for the session • Adoption of the reports of the second regular and special sessions 2017 • Adoption of the annual workplan 2018 of the Executive Board **UNDP SEGMENT** STATEMENT BY THE ADMINISTRATOR

Day/Date	*Time*	*Item*	*Subject*
	3 – 5:30 p.m.		STATEMENT BY THE ADMINISTRATOR (cont'd)
		2	COUNTRY PROGRAMMES AND RELATED MATTERS • UNDP global programme, 2018-2021
	5:30 - 6 p.m.		*Informal consultations on draft decisions*
Tuesday, 23 January	10 a.m. – 1 p.m.	2	COUNTRY PROGRAMMES AND RELATED MATTERS • Regional programme documents for Africa, Asia and the Pacific, Arab States, Europe and the Commonwealth of Independent States, Latin America and the Caribbean for the period 2018-2021
	3 – 5:30 p.m.	2	COUNTRY PROGRAMMES AND RELATED MATTERS • Presentation and approval of country programme documents • Extensions of country programmes
	5:30 – 6 p.m.		*Informal consultations on draft decisions*
Wednesday, 24 January	10 a.m. – 1 p.m.	3	EVALUATION • Medium-term evaluation plan and resources of the Independent Evaluation Office • Quality assessment of decentralized evaluations
		4	UNITED NATIONS CAPITAL DEVELOPMENT FUND • UNCDF strategic framework, 2018-2021
	3 – 5:30 p.m.	5	UNITED NATIONS VOLUNTEERS • UNV strategic framework, 2018-2021
	5:30 – 6 p.m.		*Informal consultations on draft decisions*
Thursday, 25 January	10 a.m. – 1 p.m.		**UNFPA SEGMENT** STATEMENT BY THE EXECUTIVE DIRECTOR
	3 – 5:45 p.m.		STATEMENT BY THE EXECUTIVE DIRECTOR (cont'd)
		6	COUNTRY PROGRAMMES AND RELATED MATTERS • Presentation and approval of country programme documents • Extensions of country programmes
	5:45 – 6 p.m.		*Informal consultations on draft decisions*
Friday, 26 January	10 – 11:30 a.m.	7	**UNOPS SEGMENT** STATEMENT BY THE EXECUTIVE DIRECTOR
	11:30 a.m. - 1 p.m.		**JOINT SEGMENT**
		8	RECOMMENDATIONS OF THE BOARD OF AUDITORS • Reports of UNDP and UNOPS on the status of implementation of the recommendations of the Board of Auditors for 2016 • UNFPA report on the follow-up to the report of the United Nations Board of Auditors for 2016: Status of implementation of recommendations

Day/Date	*Time*	*Item*	*Subject*
	3 p.m.	9	OTHER MATTERS • Adoption of pending decisions
		1	ORGANIZATIONAL MATTERS • Adoption of the tentative workplan for the annual session 2018

2017/30
UNDP Strategic Plan, 2018-2021

The Executive Board,

1. *Welcomes* the transparent and consultative process undertaken by UNDP in developing the Strategic Plan, 2018-2021 (DP/2017/38);

2. *Endorses* the UNDP Strategic Plan, 2018-2021 (DP/2017/38), takes note of its annexes and encourages UNDP to provide details on its implementation in its annual reporting and, when applicable and as appropriate, at the joint meeting of the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF, UN-Women and WFP;

3. *Notes* the inclusion in the Strategic Plan of some terms that have not been intergovernmentally endorsed in the United Nations system, and that for this reason, these cannot be considered intergovernmentally agreed;

4. *Recognizes* that the contribution of UNDP to conflict prevention lies within its development work to strengthen capacities in programme countries for reducing the risk of conflicts, in accordance with national policies and priorities and with the consent of national Governments;

5. *Notes* the efforts undertaken by UNDP to align its Strategic Plan, 2018-2021 with General Assembly resolution 70/1 of 25 September 2015 on Transforming our world: the 2030 Agenda for Sustainable Development, and with General Assembly resolution 71/243 of 21 December 2016 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system, as well as its efforts to focus its areas of work and outcomes towards achieving its vision for the Strategic Plan, and requests UNDP to implement the Strategic Plan, 2018-2021, in accordance with these resolutions and with full respect for the principle of national ownership and leadership and recognizing the different contexts and particular characteristics of each programme country;

6. *Requests* UNDP to present to the Executive Board at the first regular session 2018, for its consideration at the annual session 2018, a working plan for engagement with the Board with respect to the implementation of the Strategic Plan, 2018-2021, integrated resources plan and integrated budget, 2018-2021 and their annexes, including a schedule of updates from the Administrator on progress made in this regard, including on its work on partnerships, the alignment of results to resources, the development of the business model and its linkages to staff capacities, as well as performance management ,the institutional set-up ,structured funding dialogues ,collaboration and work with other United Nations agencies and various thematic strategies ,including the gender equality strategy ;

7. *Requests* UNDP to provide baselines and targets for the integrated results and resources framework (DP/2017/38, annex 1) as well as theories of change for the Strategic Plan to the Executive Board at its annual session 2018, and in the lead-up to that annual session, requests that UNDP engage with the Executive Board on progress with the methodologies underpinning the indicators in the integrated results and resources framework (DP/2017/38, annex 1) and how the outputs in that framework will feed into the common chapter outcomes in the Strategic Plan, 2018-2021;

8. *Requests* UNDP to present to the Executive Board at its annual session 2020 a thorough midterm review of the Strategic Plan, 2018-2021 and its annexes, including if required updates to the Plan and its annexes, taking into account any potential decisions by Member States on the Secretary-General's proposals responding to General Assembly resolution 71/243.

28 November 2017

2017/31
UNDP integrated resources plan and integrated budget, 2018-2021

The Executive Board

1. *Acknowledges* the process undertaken by UNDP in the development of the UNDP integrated resources plan and integrated budget estimates, 2018-2021 (DP/2017/39);

2. *Takes note of* the UNDP integrated resources plan and integrated budget estimates, 2018-2021, prepared in response to the request of the Executive Board, in decision 2009/22, to present a single, integrated budget that includes all budgetary categories, with an improved result focus and enhanced linkages with the strategic plan results and harmonized in methodology and presentation, including on cost classification, attribution and recovery, with UNFPA, UNICEF and UN-Women, and welcomes ongoing efforts to improve and clarify financial reporting to improve Executive Board members' understanding of the financial position of UNDP;

3. *Acknowledges* the information provided by UNDP in document DP/2017/39 on the integrated resources plan, 2018-2021, and notes the ongoing need to align the UNDP integrated budget and integrated resources plan with the Strategic Plan;

4. *Takes note* of the report of the Advisory Committee on Administrative and Budgetary Questions (DP/2017/40) on the institutional components of the UNDP integrated budget estimates and the recommendations of the Advisory Committee, and requests UNDP to provide updates on implementation of these recommendations at the annual session 2018 and thereafter as appropriate;

5. *Recalls* its decisions 2007/33, 2009/22, 2010/2, 2010/32, 2011/10, 2012/1, 2012/27, 2012/28, 2013/4, 2013/9, 2013/18, 2013/28, 2013/30, 2016/5 and 2017/11, and endorses document DP/2017/39 on the integrated resources plan and integrated budget estimates for 2018-2021 and its annexes, and the provisions contained in the document;

6. *Approves* the integrated budget for 2018-2021 as based on projected regular and other resources available and their projected utilization, including an appropriation of $1,093.9 million from regular resources for the institutional component of the integrated budget, 2018-2021;

7. *Welcomes* that, in response to the request of the Executive Board, UNDP has introduced separate budget lines for the Independent Evaluation Office, the Office of Audit and Investigations and the Ethics Office;

8. *Welcomes* the budget allocations to the United Nations Capital Development Fund and United Nations Volunteers programme and the ongoing contribution to these organizations from the UNDP core budget, particularly in view of their importance for least developed countries, and calls on UNDP to continue to provide contributions to these entities, and to report to the Board if UNDP funding allocations to these entities change over the lifetime of this integrated budget;

9. *Recalls* the importance of funding predictability and of the effective use of the resources entrusted to UNDP, and urges donor countries and other countries in a position to do so to maintain and substantially increase their contributions, in a manner consistent with their

capacities, to the core/regular budget of UNDP and to contribute on a multi-year basis, in a sustained, timely and predictable manner;

10. *Emphasizes* that regular resources, because of their untied nature, are the bedrock of UNDP and essential to maintaining the multilateral, neutral and universal nature of its mandate and to carry out its work, and in this regard, reiterates the need for UNDP to address, on a continuous basis, the imbalance between core/regular and non-core/other resources, while continuing to mobilize other resources to respond to the needs of all programme countries, particularly the poorest and most vulnerable;

11. *Welcomes* the commitment of UNDP in its Strategic Plan, 2018-2021 to strive for even greater productivity, efficiency and effectiveness and an improvement in the management efficiency ratio, without negatively affecting programme delivery;

12. *Requests* the Administrator, in conjunction with the midterm review of the Strategic Plan, 2018-2021, to conduct a thorough midterm review of the integrated resources plan and integrated budget that includes, inter alia, an analysis of budget methodology approaches, resource mobilization efforts and the impact of the implementation of the tiered approach for the shielding of development activities, to be presented to Executive Board in 2020;

13. *Requests* UNDP to present to the Executive Board at the first regular session 2018, for its consideration at the annual session 2018, a working plan for engagement with the Board with respect to the implementation of the Strategic Plan, 2018-2021, integrated resources plan and integrated budget, 2018-2021 and their annexes, including a schedule of updates from the Administrator on progress made in this regard, including on its work on partnerships, the alignment of results to resources, the development of the business model and its linkages to staff capacities, as well as performance management ,the institutional set-up ,structured funding dialogues ,collaboration and work with other United Nations agencies and various thematic strategies ,including the gender equality strategy ;

14. *Requests* UNDP to continue consultations on cost recovery with the Executive Board in line with decision 2017/11;

15. *Recognizes* that UNDP has made progress in diminishing cross-subsidization from regular (core) to other (non-core) resources; notes the UNDP request for additional resources of $49 million for the institutional budget for management activities; encourages UNDP, if possible, to use less than $49 million and eliminate any cross-subsidization as soon as possible; and requests UNDP to present a proposal on a transparent role of regular (core) resources for the integrated budget 2018-2021;

16. *Recognizes* that government cost sharing constitutes a voluntary funding mechanism that strengthens national ownership as well as contributes to the achievement of country programmes and in that regard, underlines the need to take the special characteristics of government cost sharing into account if considering organizational adjustments through the business models initiative;

17. *Requests* UNDP to present information on government cost sharing as part of the documentation on harmonized cost recovery to the Executive Board at the annual session 2018.

28 November 2017

United Nations DP/2018/4

Executive Board of the United Nations Development Programme, the United Nations Population Fund and the United Nations Office for Project Services

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22-26 January 2018, New York
Item 3 of the provisional agenda
Evaluation

Independent Evaluation Office workplan (2018-2021)

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I. Introduction

1. The present multi-year evaluation plan is the first such plan proposed by the Independent Evaluation Office following the adoption by the Executive Board, at its second regular session 2016, of a new evaluation policy for UNDP (DP/2016/23).

2. The policy establishes the purpose and basic principles of evaluation, and defines the institutional architecture for UNDP and its associated funds and programmes, with the Independent Evaluation Office defined as a functionally independent unit that supports the oversight and accountability functions of the Executive Board and the management of UNDP, the United Nations Capital Development Fund (UNCDF), and the United Nations Volunteers programme (UNV). Evaluations serve course-corrective decision-making by way of evidential data collection, reflection and analysis, as well as impartial judgement. The Evaluation Office is led by a director who reports directly and is accountable to the UNDP Executive Board. The director is appointed by the UNDP Administrator, in consultation with the Executive Board and the Audit and Evaluation Advisory Committee. Through the Board-approved multi-year evaluation plan, the office is allocated resources to implement its agreed programme of work.

3. The plan builds on expectations set out in the UNDP evaluation policy, as affirmed by decision 2017/12, cementing a resource base for the Independent Evaluation Office of $42.1 million over the period 2018-2021. As noted in the UNDP integrated resource plan and integrated budget estimates, 2018-2021 (DP/2017/39, paragraphs 22 and 38(c)), "In line with the evaluation policy approved by the Executive Board, UNDP proposes to allocate 0.2 per cent of the estimated combined programmatic resources (regular and other) for the functions of the Independent Evaluation Office, which increases the estimated allocation by $7 million compared to 2014-2017."

4. The evaluation plan follows a full annual cycle of consultations with the Audit and Evaluation Advisory Committee, in respect of which the Independent Evaluation Office has presented a series of comprehensive briefing notes and materials. It also builds upon consultations with the new Administrator and senior management team.

5. The evaluation plan is presented upon completion of the evaluation plan for 2014-2017, culminating with evaluation of the UNDP Strategic Plan for that cycle (DP/2017/32). In keeping with decision 2017/21, asking the Independent Evaluation Office to "ensure adequate and comprehensive coverage of all aspects of the UNDP mandate", the plan provides, inter alia, for again conducting an independent evaluation towards the end of forthcoming Strategic Plan cycle (2018-2021).

6. In the interim, the activities set out in the present plan, together with subsequent annual updates, will provide the Executive Board and UNDP management with a detailed and extensive set of independent evaluation projects covering key policy and operational aspects of UNDP work during the 2018-2021 period.

Lessons learned

7. As a further backdrop to the more detailed workplan, 2018-2021, the Independent Evaluation Office would like to summarize some lessons learned during implementation of the 2014-2017 plan, adopted in January 2014.

8. As noted in the policy, evaluations are important tools for learning from past experience and better understanding which types of development support work well, and which not so well. For such analysis, the determination of influence among multiple causal factors and institutional actors requires the voice of evaluators who are not only seasoned but also outside the line of authority held by those in charge of the subject matter at hand. While monitoring and self-evaluation are necessary functions of organizational management and governance, independence is a further requirement for arriving at impartial judgment as to what constitutes the difference between relative success and failure. The priority and value-added role of the Independent Evaluation Office is to identify course-correction opportunities at the institutional and country programme levels through high-quality, credible assessments of UNDP interventions, using rigorous methods and procedures. Management, for its part, should accept

that evaluators bring critical questions to the logic models or 'theories of change' that underpin policy, programme and project plans. Management should stand ready to receive impartial assessments to institutional performance in implementation; and take responsibility for acting upon resulting recommendations.

9. Second, it is to embed substantive validity, competency and legitimacy of independence that the Independent Evaluation Office over the past cycle has emphasised professionalization of the function, giving agency and analytical leadership to the its staff evaluators, displacing the practice of outsourcing evaluation assignment lead roles to external consultants. On the other hand, to supplement core staff competencies and provide quality assurance and enhancement at the level of overarching evaluative perspective, the Evaluation Office has been able to draw on a distinguished panel of global evaluation experts through its Evaluation Advisory Panel. These two initiatives are bedrocks to the reputation gained by the Office within and outside the organization.

10. Third, the scope, design and implementation of evaluations must be geared to generate evidence and reflection that is relevant, cost-effective and timely. Evaluation is not an endeavour of academic speculation; rather, it constitutes the summative judgment of professionals seasoned in their ability to understand varied development contexts and sources of testimonial bias, using triangulation to identify preponderance among conflicting evidential data sets. Evaluations too need to be undertaken within the constraints of time and resources, enabling managers and governments to digest their reflections and take course-corrective action. Even as it expands its coverage and depth of outputs and outreach, the Independent Evaluation Office has endeavoured to compress the timelines and unit costs of its evaluations, reducing the extent of travel, and volume of printed reports. The Evaluation Office has leveraged collaboration with other UNDP oversight units, as well as with the wider community of evaluation colleagues within the United Nations system and beyond.

Organization of major activities

11. The Independent Evaluation Office continues to bring vigilance to fulfilment of all mandates provided to it by way of the Evaluation Policy, guidance from Executive Board and the Audit and Evaluation Advisory Committee; suggestions from its Evaluation Advisory Panel, and consultations with the Administrator and his senior management team. While the purpose of the present report is to outline the substantive scope and coverage of its evaluations during the 2018-2021 period, the Independent Evaluation Office will continue to provide the following auxiliary evaluation support functions as part of its core mandate:

(a) Developing evaluation standards, procedures, code of conduct, criteria and methodological and ethical guidance and good practices applicable to UNDP evaluations, including decentralized evaluation;

(b) Bringing leadership to the United Nations Evaluation Group (UNEG) and supporting harmonization, innovation, partnership and coordination of evaluation functions across the United Nations system, the international professional community and beyond;

(c) Periodic and regular assessments of quality of decentralized evaluations of UNDP, UNCDF and UNV;

(e) Maintaining a searchable, publicly accessible repository of UNDP evaluations, including lessons learned, recommendations, management responses and resulting actions; and

(f) Promoting national ownership and leadership in evaluation through country-led and joint evaluations, and expanding national evaluation capacities through training and platforms for global dialogue.

12. A further transcendent aspect of the organization of work will be to actively pursue and extend opportunities to maximize coordination and joint activities with other independent oversight units, within UNDP and throughout the broader evaluation and oversight community.

II. Independent country programme evaluations

13. The UNDP Strategic Plan, 2018-2021, reaffirms that UNDP country offices are the programmatic and operational backbone of the organization. A country programme document developed by them at the end of each programme cycle remains the principal document setting forth the strategic direction for UNDP engagement in the respective countries during the following 4-5 years.

14. Known since 2002 as assessments of development results, the Independent Evaluation Office has conducted 106 country programme evaluations to date, providing critical input to country office preparations for a new country programme cycle.

15. Starting in 2019, in response to expectations expressed by the Executive Board for a wider coverage of country programme assessments, independent country programme evaluation will be carried out by the Independent Evaluation Office for all UNDP country programmes prior to new country programme document submissions to the Executive Board. Drawing on lessons learned from the conduct of the previous assessments of development results, both at operational and methodological levels, the independent country programme evaluations will benefit from a sharpened analytical scope, greater efficiency in the operational aspects of evaluation implementation, revamped preparatory research work, and a focus on UNDP core operational principles as underlined in the new Strategic Plan. As with the assessments of development results, the independent country programme evaluations are intended to be forward-looking, providing recommendations that can inform country programming and submissions of new country programme documents.

16. At the second regular session of the Executive Board in 2018, and annually thereafter, the Independent Evaluation Office will provide a synthesis of results and lessons from the independent country programme assessments. The Evaluation Office plans to consult with the Executive Board, the Audit and Evaluation Advisory Committee, and UNDP senior management on topics of interest to include in its analyses.

17. The table below provides an indication of the coverage of all the country programme assessments provided to the Executive Board since 2012, and those planned for submission to the Board during 2018-2021. The Independent Evaluation Office will engage the regional bureaus and the Development Impact Group throughout the year to monitor and update the list of programme cycles for all UNDP countries. The final list will be confirmed during the annual session of the Board each year. Results of the evaluations will feed directly into the corporate and thematic evaluation effort, including the comprehensive Strategic Plan evaluation that will be presented to the Board in June 2021. Meanwhile the cumulative stock of country programme assessments will be leveraged for thematic evaluations and synthesis studies.

Coverage of country programme assessments submitted to the Board, 2012-2020

Year	Country programmes submitted to the Executive Board	Country programmes covered by ADRs/ICPEs*	ADR/ICPE coverage
2012	32	12	38%
2013	24	8	33%
2014	14	7	50%
2015	28	4	14%
2016	36	9	25%
2017	19	3	16%
2018	35	13	37%
2019	17	17	100%
2020	17	17	100%

*ADRs/ICPEs that covered the most recent country programme cycle prior to the new submission (ADRs = assessments of development results; ICPEs = independent country programme evaluations)

18. The independent country programme evaluations planned for presentation to the Executive Board in 2019 and 2020 are indicated in the table below.

Year	ICPEs	Countries/territories
2018 (for 2019 Board)	15[1]	Afghanistan, Angola, Bosnia and Herzegovina, Colombia, Comoros, Cuba, Guatemala, Madagascar, Mali, Paraguay, Sierra Leone, Timor-Leste, Tunisia, Venezuela, Yemen.
2019 (for 2020 Board)	17	Algeria, Argentina, Armenia, Azerbaijan, Bahrain, Bangladesh, Belarus, Burkina Faso, Cameroon, China, Côte d'Ivoire, El Salvador, Ethiopia, Georgia, Guinea-Bissau, Indonesia, Iraq, Kazakhstan, Kosovo[2], Lebanon, the Former Yugoslav Republic of Macedonia, Malaysia, Maldives, Mauritius, Mozambique, Panama, Serbia, Seychelles, Somalia, Swaziland, Tajikistan, Turkey, Turkmenistan, Uganda, Uruguay, Uzbekistan, Zimbabwe

19. The 2019 selection includes a large number of countries in Europe and the Commonwealth of Independent States, providing an opportunity to evaluate these country programmes as a cluster, with examination of country programme performance within the context of some shared development characteristics as well as wider UNDP support to the region. Results are expected to inform UNDP regional policy and programme strategy. Based on this experience, the Independent Evaluation Office will consider further opportunities for independent country programme cluster evaluations.

III. Corporate and thematic evaluations

20. The Independent Evaluation Office will develop an array of corporate and thematic evaluations during this four-year period, culminating in a comprehensive evaluation of the UNDP Strategic Plan for presentation in 2021. Meanwhile, the subjects for interim thematic evaluations will be calibrated to the UNDP Strategic Plan, 2018-2021, once adopted, including its overarching 'development settings', 'signature solutions', and global and country 'support platforms'. While understanding there is a convergence of agreement on the draft strategy, the Evaluation Office is aware that the development strategies of the United Nations and UNDP will remain in transition and subject to further refinement in accordance with Member State discussions and the Secretary-General's proposals for restructuring the United Nations development system, unfolding in parallel to the finalization of the Strategic Plan. The Office therefore plans to retain a degree of flexibility, especially in the latter years of the planning cycle, to enable further deliberation with the Executive Board and UNDP management during 2018 and 2019.

21. The next full series of corporate and thematic evaluations of the Independent Evaluation Office will come before the Executive Board starting at its second regular session 2018. Subject to approval by the Board, the preliminary set of evaluation topics is proposed as follows:

[1] Two of the 17 evaluations (Malawi and the Republic of Congo) have already been completed.

[2] References to Kosovo shall be understood to be in the context of Security Council resolution 1244 (1999).

Evaluation	Board session*
UNDP inter-agency pooled financing and operational services	Second regular session 2018
(a) UNDP hosts the United Nations Multi-Partner Trust Fund Office, established to facilitate United Nations coherence and development effectiveness through the design and administration of pooled financing instruments. The portfolio of the Office includes more than 50 participating organizations and more than 100 contributors, working in over 100 countries, with a combined $1.6 billion in deposits. These services have not previously been evaluated by the Independent Evaluation Office.	
(b) UNDP has recently developed four funding windows, providing pooled, flexible funding for UNDP and partners to focus jointly on common goals in support of country-level programming to achieve the sustainable development goals. The Independent Evaluation Office will analyse the start-up of this new funding mechanism, noting its centrality to the current UNDP service delivery platform.	
(c) UNDP provides inter-agency operational services around the world through its Global Shared Service Unit, including human resources administrative services, payroll and related services. These services are extended to United Nations partner organizations, including UNFPA, the United Nations System Staff College, United Nations University, UN-Women, and the United Nations Department of Safety and Security.	
(d) Assessing the efficiency and effectiveness of UNDP inter-agency pooled financing and operational services is both relevant and timely as the United Nations development system undergoes restructuring, the results of which process may alter the scope of the assessment.	
(e) The Independent Evaluation Office will reach out to the evaluation offices of other United Nations development organizations to consider whether a joint evaluation on this topic is feasible.	
UNDP support to least developed countries for social protection and poverty reduction	First regular session 2019
(a) The intent of this evaluation will be to look in detail at UNDP support for social protection and poverty alleviation among the subset of countries (47 at present) that comprise the group of least developed countries, plus countries that have recently graduated from that status.	
(b) This evaluation will build on the results of the 2013 Independent Evaluation Office evaluation of poverty-related programming, and responds to Board member interests for the Evaluation Office to pay special attention to UNDP poverty-reduction programming.	
(c) The Independent Evaluation Office intends this and other evaluations to reinforce relevant United Nations and General Assembly resolutions bearing on UNDP strategies and programming. In this instance, the Evaluation Office notes General Assembly resolution 70/299, on the follow-up and review of the 2030 Agenda for Sustainable Development at the global level, which sets out the 2019 high-level political forum	

theme: [illegible] and ensuring inclusiveness and equality	
Review of the [illegible] evaluation policy When the Executive Board approved the evaluation policy, 2016, it decided that the policy should be reviewed again in 2019 (decisions 2016/17 and 2016/6). The Independent Evaluation Office will conduct this review in time for consideration at the annual session 2019 of the Board. Should the Board then decide that the policy should be revised, a draft revised policy will be introduced for consideration by the Board at its annual session 2020.	Annual session 2019
[illegible] UNDP assistance to vulnerable developing countries for disaster risk reduction and climate change resilience The Independent Evaluation Office last considered UNDP support to disaster risk reduction and recovery in 2010. UNDP has since restructured and expanded its disaster risk reduction and climate resilience support. The focus of the evaluation will be UNDP support to countries that are especially vulnerable to climate shocks, including small island developing States.	Second regular session 2019
[illegible] UNDP development support services to middle income countries While the Independent Evaluation Office has conducted many evaluations covering the work of UNDP in specific middle-income countries, it has not considered this work, or the UNDP value proposition as a provider of development support services to them, in aggregate. This evaluation will consider the types, scale and quality of services being provided, the results of those engagements, and how they fit within the overall strategic focus of UNDP.	First regular session 2020
[illegible] leveraging private sector finance and engagement for development support In its response to the Strategic Plan evaluation, UNDP stated that it would "improve its service offer, skills, systems, processes and tools to shift from being solely a direct funding partner towards being an organization that leverages development by helping to create a better enabling environment for private sector funding and providing services to help mobilize private capital and other investments for country development". This evaluation, to be carried out just prior to the next Strategic Plan evaluation in 2021, will consider the extent to which UNDP is achieving these ambitions, forging effective partnerships with the private sector, and leveraging greater access to private capital in support of national partners.	Second regular session 2020
[illegible] evaluation of the UNDP Strategic Plan, 2018-2021 At the end of the programme cycle, the Independent Evaluation Office will submit to the Executive Board a comprehensive evaluation of UNDP performance and results under the Strategic Plan, 2018-2021. That evaluation will take into account decision 2017/21 adopted by the Executive Board at its second regular session 2017, which expects the evaluation to be comprehensive and requests that it pay particular attention to the work of UNDP in the area of poverty reduction.	Annual session 2021

22. A series of additional themes and topics derived from the signature solutions, platforms and business models identified in the draft Strategic Plan, 2018-2021, are annexed to this plan, as are possible joint evaluations on programming jointly implemented with partner organizations. Additional themes, arising from the Independent Evaluation Office country programme evaluations, will be identified for consideration. In 2018 the Evaluation Office will further clarify its plans for evaluating the work of UNCDF and UNV during the next strategic planning cycle.

23. The Independent Evaluation Office will provide to the Board at its annual session in June 2018 an assessment of the actions against evaluation recommendations from Evaluation Office thematic and country programme evaluations carried out since 2012.

24. The Evaluation Office will continue to submit an annual report on evaluation to the Executive Board at each annual session, providing salient information on Office activities and achievements from the previous year. Refinements to the present workplan will be submitted to the Executive Board at its first regular session 2018.

IV. Evaluation capacity

25. Further to provisions under the evaluation policy, and as directed by the Executive Board, the Independent Evaluation Office provides wide-ranging support to decentralized evaluations carried out by UNDP programme and policy units. This includes revising guidelines and trainings, holding regional training workshops, providing oversight by monitoring evaluation implementation against evaluation plans, and offering high-quality assessments of the plans.

26. In October 2017, the Independent Evaluation Office completed its work, together with the UNDP regional bureaus and the Development Impact Group/Bureau for Policy and Programme Support, on a series of regional workshops to strengthen decentralized evaluation at UNDP. The workshops were designed to encourage regional evaluation support staff and country office monitoring and evaluation focal points in identifying decentralized evaluation challenges, guidance requirements and training needs. The process helped clarify evaluation planning and implementation requirements. Extracting lessons from those workshops is a priority for UNDP, as they are highly relevant to the ongoing efforts to strengthen decentralized evaluation and results-based management functions more broadly. The lessons will be factored into a new set of guidance documents and a new online evaluation certification course, both scheduled for completion in 2018. Concurrent with this multi-year evaluation plan, the Evaluation Office has submitted to the Executive Board its report on the continuing efforts to assess the decentralized evaluation function in UNDP.

27. The Independent Evaluation Office will continue to assess the quality of evaluations that UNDP offices commission on their programmes and projects, which in any given year amounts to more than 250 evaluations. An assessment of 'decentralized' evaluation quality will be provided to the Executive Board at its annual session each year, within the annual report on evaluation.

28. The Independent Evaluation Office is continuing to enhance the usability and utility of the online repository of evaluation (Evaluation Resource Centre), including access to best-practice evaluations, a database of evaluators, and programmatic lessons learned.

29. UNCDF and UNV evaluations are now subject to the same quality assessment process as UNDP evaluations, and the Independent Evaluation Office will report 2017 findings to the Executive Board in 2018.

30. The Independent Evaluation Office has played a review-and-comment role in the recent efforts of UNCDF and UNV to evaluate their signature programmes and results under their respective strategic plans. It is expected that, recognizing the 2016 evaluation policy expectations, this oversight role will continue and deepen.

31. *National evaluation capacity.* From 18-20 October 2017, the Independent Evaluation Office, in collaboration with the UNDP Regional Bureau for Europe and the Commonwealth

of Independent States, and with Turkish national authorities as hosts, held its fifth global conference on national evaluation capacity in Istanbul, Turkey, following similar conferences in Bangkok (2015), São Paulo (2013), Johannesburg (2011) and Casablanca (2009). The 2017 conference, themed "People, Planet, and Progress in the SDG era", drew together 500 participants from more than 110 countries, as well as United Nations and international organizations, to discuss how evaluation can be enhanced in support of national sustainable development goals and the 2030 Agendas for Sustainable Development.

32. The Fifth International Conference on National Evaluation Capacities marked completion of full 'regional cycle' of staging such events; and the Independent Evaluation Office is working with UNDP regional bureaus and national partners to consider what has been achieved, and the gaps in evaluation capacity where further support from the Evaluation Office would be most helpful.

33. *Evaluation diagnostic tool.* While the national evaluation conferences have been a flagship activity for the Independent Evaluation Office, there are other capacity initiatives that it will carry out. In 2017 it developed a diagnostic guide for countries on evaluating national development programming in the sustainable development goals era. This tool will be piloted in 10 countries in 2018, and once revised it will be made available to all partner countries.

34. *Colloquiums and other platforms for sharing evaluation expertise.* UNDP intends to continue efforts to promote knowledge sharing and partnership building, with a sharp focus on the sustainable development goals, independent oversight and related challenges. Included in this effort will be a series of colloquiums, the first of which will take place at Wilton Park, Steyning (United Kingdom) in 2018. The Wilton Park conference will bring together a group of global thought leaders in the fields of development assistance and evaluation research to reflect critically on important dimensions of evaluating the work of multilateral institutions.

V. Other activities of the Independent Evaluation Office

35. *United Nations Evaluation Group.* The Independent Evaluation Office supports United Nations reform through UNEG, a voluntary network of 47 units responsible for evaluation in the United Nations system including funds, programmes, specialized agencies and affiliated organizations. The Evaluation Office plans to continue hosting the UNEG secretariat during the next four years, with the Director of the Independent Evaluation Office serving as vice-chair and the Deputy Director serving as executive coordinator. The Office will staff the UNEG secretariat with a full-time programme specialist and provide additional operational support.

Annex 1. Indicative annual budget for the Independent Evaluation Office, 2018-2021

1. As noted in paragraph 3, above, the planning of the Independent Evaluation Office for the period 2018-2021 is based on budget projections derived from the UNDP integrated resource plan and integrated budget, 2018-2021 (DP/2017/39), presented to a special session of the Executive Board in November 2017. The budget plan establishes a resource envelope for the Evaluation Office of $42.1 million for the 2018-2021 period. The Office is aware this constitutes an indicative budget, and that actual funding may fall short of, or exceed, this initial planning. At the beginning of each fiscal year, the Office will set new budget projections based on actual income figures from the previous year.

2. Apportioned equally, $42.1 million over four years provides an annual budget of just over 10.5 million. Subtracting the annual cost of office rental and utilities, approximately $10 million would remain for staff salaries and programme expenditures.

3. At the end of 2017, the Independent Evaluation Office made a significant personnel shift, adding seven temporary appointments (three P-3, two P-2, one G-7 and one G-6), providing an increase in personnel from 23 to 30 managers, evaluators and support staff. The Evaluation Office expects that the temporary posts will, in time, be replaced by fixed-term appointments, establishing and maintaining a post table of 30.

4. In 2017 the Independent Evaluation Office established three programmatic sections: Independent Country Programme Evaluations, Corporate Evaluations, and Capacity Development. In addition, there is an Operations Team, and there are five personnel (two P-3, one P-2 and 2 G-6), assigned to the Office of the Director and Deputy Director, which includes the UNEG secretariat. Considering the cost of salaries, plus variable costs for travel, consultants and miscellaneous expenses, the indicative annual breakdown by section, including general expenses, is as follows:

Section	Annual budget ($ millions)	Percentage of annual total budget
ICPE	2.9	28%
Corporate and Thematic	2.8	27%
Evaluation Capacity	1.65	16%
Directorate	1.6	15%
Operations	0.7	7%
Operating expenses		
Premises	0.5	5%
General operating expenses	0.25	2%
Other miscellaneous	0.1	1%
	$10.5 m	100%

ICPE = independent country programme evaluations

Annex II. Submission timing of independent evaluations and reports to the Executive Board, 2018-2021

	2018			2019			2020			2021		
	FRS	AS	SRS	FRS	AS	SRS	FRS	AS	SRS	FRS	AS	SRS
Corporate and programmatic reporting												
Multi-year evaluation plan	●											
Annual costed programme of work	●			●			●			●		
Annual report on evaluation		●			●			●			●	
Synthesis and lessons from independent country programme evaluations		●			●			●			●	
Revised evaluation policy (as necessary)								●				
Corporate and thematic evaluations												
UNDP inter-agency financial and operational services			●									
UNDP support to least developed countries for social protection and poverty reduction				●								
External review of the UNDP evaluation policy					●							
UNDP assistance to vulnerable developing countries for disaster risk reduction and climate change resilience						●						
UNDP development support services to middle-income countries							●					
Europe and the CIS ICPE cluster								●				
Leveraging private sector finance and engagement for development support									●			
UNDP performance and results under the Strategic Plan, 2018-2021											●	

FRS = first regular session; AS = annual session; SRS = second regular session

Annex III. Other evaluation themes for consideration

Thematic/programmatic (UNDP signature solutions)

(a) Impact of UNDP support to countries using energy efficiency and alternative energy development;
(b) UNDP nature-based programming and partnerships; and
(c) UNDP support to conflict prevention and recovery.

Institutional/operational

(a) UNDP as an innovative, knowledge-driven organization; and
(b) The institutional framework for UNDP country-level support

UNCDF and UNV

Effectiveness and impact of UNCDF and UNV under their respective strategic frameworks, 2018-2021

Joint evaluations

(a) United Nations response to human migration: Regional Refugee and Resilience Plan (Syria conflict); and
(b) United Nations Development Group mainstreaming, acceleration and policy support for the 2030 Agenda ('MAPS')

United Nations DP/2018/5

Executive Board of the United Nations Development Programme, the United Nations Population Fund and the United Nations Office for Project Services

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United Nations Capital Development Framework

UNCDF Strategic Framework, 2018-2021

Summary

The present document outlines the UNCDF Strategic Framework, 2018-2021. It aims to support the achievement of sustainable development goals 1 and 17 in least developed countries by making finance work for inclusion, in collaboration with UNDP and other United Nations partners. UNCDF will do this by building on its years of experience in expanding inclusive financial markets and local development finance systems that help unlock public and private finance at the local level.

In building on its core competencies, UNCDF will pursue innovative finance solutions through: (a) financial inclusion that expands the opportunities for individuals, households, and small and medium-sized enterprises to participate in the local economy, with a focus on digital financial services; and (b) local development finance that shows how fiscal decentralization, municipal finance, and structured project finance can promote local economic expansion and local climate adaptation. Women's economic empowerment is articulated across all UNCDF work.

The Strategic Framework articulates how UNCDF will strengthen its lending and guarantee instruments alongside its grants and technical assistance, and presents the role of the least developed countries investment platform in making blended finance approaches available to a wider range of United Nations partners, if called upon and funded to do so.

The Strategic Framework identifies four results-to-resources scenarios, providing Member States the means to recommit to supporting UNCDF to achieve the ideal scenario, which includes $25 million per year in core; $75 million per year in programme funding; and a $50 million capitalization of the LDC Investment Fund. This would support a strategic presence in 40 least developed countries.

The Executive Board may wish to take note of the Strategic Framework, 2018-2021.

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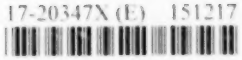

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I. Global context: opportunities and challenges

1. The 2030 Agenda for Sustainable Development commits to leaving no one behind, and to meeting the goals and targets for all nations and all segments of society. The Addis Ababa Action Agenda and the 2030 Agenda identify the need for multiple sources of finance, public and private, domestic and international, to work together effectively and in new combinations. Yet only a small fraction of global investment assets is targeted at sectors and localities that advance sustainable development in developing countries. Investment flows that do go to least developed countries concentrate on too few countries and sectors and, within least developed countries, often flow towards extractive industries, real estate, or narrow infrastructure corridors. Between 2012 and 2015, only 7 per cent of private finance mobilized by official development finance through guarantees and other private sector instruments targeted least developed countries. Many stakeholders are wary of investing in local economies, given concerns over absorptive capacity, risk, low returns, and sustainability.

2. The danger is that resources will continue to be allocated in ways that entrench exclusions and inequalities between and within countries rather than overcoming them. Important initiatives with the potential for transformational impact at the local economic level in least developed countries may continue to fall 'below the radar' of public and private investors.

3. UNCDF[1] uses official development assistance to make finance work for the inclusion of those who risk being left behind. UNCDF aims to increase and shift the dynamics of financing towards the local level, by providing the demonstration space for least developed countries to deploy innovative finance approaches that 'crowd-in' the additional public and private, domestic and international finance needed to accelerate progress towards the sustainable development goals.

II. Guiding principles of the Strategic Framework

4. *Making finance work for inclusion.* UNCDF uses data, diagnostics, and analyses to identify 'pain points' and unmet needs where the lack of access to finance holds back development. It provides a mix of technical assistance and capital instruments to help its partners design and test innovations in response. Through its demonstration effect, UNCDF prepares the ground for public and private stakeholders to replicate and scale up viable models. UNCDF also supports policy and regulatory changes to ensure ecosystem change and wider market and systems development.

5. *Responding to needs of least developed countries.* The Strategic Framework is grounded in the UNCDF mandate to support the least developed countries "first and foremost", and a recognition of the unique challenges and opportunities these countries face. The Istanbul Programme of Action sets the target of enabling half of the least developed countries to meet the graduation criteria by 2020. UNCDF is committed to helping least developed countries meet their graduation goals through inclusive pathways, and to supporting smooth transition following graduation.

6. *Focusing on the 'last mile' and risk appetite.* UNCDF is designed to have a risk tolerance to operate where few are focusing on the localities, men and women; small and medium-sized enterprises; and local governments that are underserved and excluded; where development needs are greatest; and where finance flows are most scarce.

7. *Aligning with global agendas.* The Strategic Framework is aligned with the 2030 Agenda, primarily focusing on sustainable development goals 1, on poverty eradication, and 17, on the means of implementation. UNCDF contributes to other goals by identifying targets where local finance solutions can overcome entrenched obstacles to progress.[2] The quadrennial comprehensive policy review emphasizes the importance of such integrated approaches. The Strategic Framework

[1] UNCDF is an autonomous organization associated with UNDP. The UNDP Administrator is the Managing Director of UNCDF.

[2] Includes goals 5, 7, 8, 9, 10, 11 and 13. UNCDF work can also contribute to wider goal 16-related responses in countries affected by conflict or natural disasters.

also responds to the Addis Ababa Action Agenda; the Paris Agreement on climate change; and the New Urban Agenda. It will retain the flexibility necessary to address decisions arising from follow-up to policy review-mandated processes, especially as they relate to questions on innovative financing.

8. *Building on strengths.* This Strategic Framework optimizes UNCDF strengths and capital mandate. UNCDF will continue to pursue innovative finance solutions through:

(a) Financial inclusion that expands the opportunities for individuals, households, and small and medium-sized enterprises to participate in the local economy. UNCDF helps provide differentiated products for women and for men so they can move out of poverty, manage their financial lives, invest in their businesses and productive assets, and build a more resilient future for themselves and their families, making use of digital and other new technologies;

(b) Local development finance that shows how fiscal decentralization, innovative municipal finance, and structured project finance can drive public and private funding that underpins local economic expansion, women's economic empowerment, climate adaptation, and sustainable development; and

(c) A least developed countries investment platform that provides the vehicle to expand deployment of capital instruments to a growing pipeline of projects in the last mile in least developed countries. UNCDF programmes in the above two areas provide the 'feed' and reduce the risk of investment opportunities, in order to 'crowd-in' follow-on domestic and international finance. The platform rests on the UNCDF enterprise risk management and loans and guarantees policies; strengthened due diligence processes for vetting and risk assessment of potential loans or guarantees; and dedicated and growing capacities to manage and oversee non-grant capital investments as a portfolio and ensure robust accountability. If the funding and demand are there, the platform could eventually be expanded to consider last-mile finance pipelines from UNDP and the wider United Nations development system across a range of sustainable development goals. The platform will rest on pursuing innovative resourcing models with a variety of public and private sector partners.

9. *'Learning by doing' and innovation to scale.* UNCDF will continue to base its interventions on sound evidence and lessons learned, and is committed to building a stronger evidence base around the longer-term impact of its work. UNCDF will emphasize collection and analysis of data and use of supply- and demand-side diagnostics, as these are revealing markets; driving innovations; and informing policies and systems development. UNCDF will continue to work extensively with digital accelerators based on evidence of efficiency gains, new market development, and gains in inclusion across a number of the goals.[3] Through these approaches, UNCDF seeks to help least developed countries and other implementing partners to scale and replicate successes.

III. Lessons from the previous Strategic Framework

10. UNCDF has captured important lessons over the previous Strategic Framework from the midterm review; an external review of the UNCDF results-based measurement system, financed by UNDP's Independent Evaluation Office; and an internal synthesis report of the findings of seven of the eight external evaluations completed since the start of the previous Strategic Framework.[4]

11. UNCDF was found to design and implement programmes that improve the lives of poor people and communities. It was judged to be good at designing interventions relevant to least developed country priorities, well-positioned with regard to other development stakeholders, and in line with the needs of implementing partners. Gender was particularly well addressed, with women's financial inclusion and women's engagement in local decision-making processes prioritized in

[3] https://www.betterthancash.org/tools-research/reports/a-celerators-to-an-inclusive-digital-payments-ecosystem

[4] As part of its work overseeing the quality of evaluation in UNCDF, in accordance with the UNDP evaluation policy, the Independent Evaluation Office conducted an external quality assessment of these evaluations, assigning three scores of '5' (satisfactory) and two scores of '6' (highly satisfactory) to the five submitted by July 2017.

programme design. Areas for improvement included the need to better articulate expected results beyond the level of direct implementing partners, and to ensure that oversight systems can better support the UNCDF ambition to influence the development of markets and systems that drive inclusion.

12. The UNCDF inclusive finance partner organizations were found generally to be making good use of new financial products and services. Technological innovations, such as digital delivery channels, were helping them reach increased numbers of low-income clients, expanding, for example, their access to affordable clean energy or formal savings products. UNCDF support to improve public financial management by local governments typically yields increased investments in productive infrastructure as well as – where relevant – improved household food security and nutrition. While UNCDF is good at identifying the right implementing partners, it should do better in ensuring timely programme delivery and appropriate monitoring, results reporting, and knowledge management, particularly during the innovation stage.

13. In terms of impact and sustainability, UNCDF interventions typically reach last-mile populations. UNCDF could more systematically take its innovations to scale, as most programmes lack fully articulated management and monitoring systems to drive this shift. To that end, UNCDF should engage more strategically with a wider range of policy and market actors throughout its programme cycle.

14. UNCDF efforts on its results measurement system since 2014 were regarded as a "considerable achievement". The integrated results and resources matrix was judged to be well aligned with the Strategic Framework and supported by a cost-effective system. Gender equality and women's empowerment were found to be well embedded in the matrix following its update in 2016, though leaving room for improvement. Full integration of the matrix into results measurement at the programme level had yet to be achieved; the use of results data for external reporting and programme management could be improved; and aspects of the UNCDF mandate, such as services to the poor and protection of the environment, were not fully covered in previous results measurement systems.

15. The results measurement review recommended simplifying the integrated results and resources matrix by reducing the number of expected results and performance indicators, and better representing the evolving work of UNCDF, notably in market system development and public-private partnerships. It recommended more visible links between expenditure and results, and increased attention to improving the quality of results reporting. Those recommendations are addressed in the matrix accompanying this Strategic Framework.

IV. Key elements of the Strategic Framework

16. The logic of the Strategic Framework is captured in the schematic below.

2030 IMPACT
GOALS
Making finance work for poor men and women, SMEs and local governments
2021 OUTCOMES
Enhanced inclusive financial markets and local development finance systems that benefit poor and vulnerable populations
Unlock public and private finance for the poor
OUTPUTS
1. UNCDF investment tools utilized to provide seed capital and incentivize innovation; de-risk and crowd-in new partners; and demonstrate proof of concept
2. Public and private partnerships leveraged and partner's capacities built to develop inclusive financial markets and local development finance systems
3. Policy support, diagnostics, data, knowledge and evidence provided to drive policy and regulatory change and changes in investors' behaviours
Financing model
Institutional enablers

Note: SMEs = small and medium-sized enterprises

Envisaged impact

17. UNCDF will work as an enabler, accelerator, facilitator, and convener, both to transform the way other actors invest and to help least developed countries create the right conditions to mobilize and channel a wider range of resources to the local level. Sustainable development goals 1 (especially targets 1.4, 1.5, 1.a and 1.b), and 17, on the means of implementation (especially targets 17.1, 17.3 and 17.17), are embedded in all interventions.

18. Women's economic empowerment is specifically articulated across all UNCDF work in terms of objectives, approaches, theory of change, targets, and indicators.

19. The envisaged impact will be achieved through two mutually supportive outcomes:

(a) Enhanced inclusive financial markets and local development finance systems that benefit poor and vulnerable populations; and

(b) 'Unlocked' public and private finance for the poor.

20. UNCDF will target specific groups and geographies in least developed countries:

(a) Poor, underserved, and vulnerable populations experiencing sharp inequalities and exclusions in terms of access to finance, especially women and youth;

(b) Small and medium-sized enterprises and financial service providers as users of finance to grow and stimulate local economies; and

(c) Local governments in secondary cities, rural, and peri-urban areas.

Outcome 1. Enhanced inclusive financial markets and local development finance systems that benefit poor and vulnerable populations

21. In *local development finance*, UNCDF focuses on innovating finance models that bring localities and excluded populations into the development mainstream. Spatially blind policy approaches have often failed to develop diversified rural and urban economies. Fiscal resources and domestic capital markets are not typically invested in local governments and local economies in ways that promote equitable growth. The benefits of growth therefore bypass many populations, and many catalytic infrastructure projects cannot get built.

22. In supporting least developed countries to build inclusive, resilient economies, UNCDF adopts a transformative-impact financing approach to promote service delivery, infrastructure investment, and local economic development that remains viable within a local territory. UNCDF seed capital and technical assistance will focus on helping localities build local fiscal space and local fixed capital formation. The chart below explains how complementary interventions build local development finance systems and markets.

23. Working with local governments, domestic banks, and local businesses, UNCDF provides evidence-based in-country analysis that informs the local development processes in the fields of fiscal decentralization, local public finance, and own resource revenues.

24. To create the demonstration effects needed to unlock significant shifts in sustainable development goals financing, UNCDF helps least developed countries design and pilot financing mechanisms and business models that support locally designed public investments and revenue-generating capital investment projects. These are applied to addressing specific development bottlenecks.

25. In helping to develop national systems for local government finance, UNCDF supports fiscal decentralization models and improved public expenditure management systems at the local level to get finance flowing to secondary cities, peri-urban localities, and rural areas. This includes work in more affluent settings, where UNCDF has a long track record of programmes that help local authorities rebuild trust between citizens and government. UNCDF deploys performance-based grants and technical assistance to strengthen the ability of local governments to plan, budget, invest, and report on investments, as well as to develop new funding mechanisms and investment-friendly policies and regulations.

26. In line with sustainable development goals 11.1 and 11.3 to enhance inclusive and sustainable urbanization, UNCDF is working with municipalities in secondary cities to leverage funding through public-private partnerships, bonds, and own-source revenue. In rural areas, where most least developed country populations live, UNCDF will help municipalities develop finance mechanisms that improve food security and nutrition through investments in infrastructure and local food systems.

27. In response to goal 5.a, UNCDF will help local governments strengthen their public finance management systems, planning, and budgeting processes so that more resources are allocated for initiatives that empower women.

28. While local governments are on the front lines of response, most climate finance is centrally allocated and managed. Sustainable development goals targets 13.1, 13.2, 13.a, and 13.b call for increasing capacities and ensuring funding for effective climate change planning and action in least developed countries, including in local and marginalized communities. UNCDF will continue channelling performance-based, climate-resilient grants through intergovernmental fiscal transfer mechanisms. This develops systems that increase financing available to local governments, so that they can build verifiable climate-resilient infrastructure. The demonstration effect of this work helps governments access global climate finance – through the Green Climate Fund, for example – by gaining accreditation of the national implementing entity, which can access the climate finance directly and channel it through local government mechanisms. UNCDF will also develop verifiable mechanisms for attracting concessional finance to private and public-private investments that have a measurable climate-change impact.

29. To support revenue-generating investments, UNCDF will help least developed countries design policy that attract domestic resources into local economies on a more systematic basis, increasing local productivity and creating domestic markets for local economic development finance. Through structured project finance, small and medium-sized enterprise finance, and public-private partnership approaches, UNCDF will support public and private actors to de-risk, build, and unlock private financing for pipelines of investable projects with strong development impact. This will include, in conjunction with UNDP and UN-Women, public and private gender-sensitive infrastructure investments, as well as women-led projects. This work responds to sustainable development goal 9.a, which calls for supporting sustainable, resilient infrastructure development through increased financial and technical support.

30. Between 2014 and 2016, UNCDF supported over 1,000 local governments in expanding their capacities for public local finance management. It facilitated cumulative investments in some 4,200 infrastructure projects, benefiting an estimated 9 million people. Under the ideal resource scenario (table 1, below), UNCDF would be able to support over 2,400 local governments. It could help build over 8,300 impactful local infrastructure projects annually, providing benefits to a projected 10 million people. By generating greater demonstration value, this supports catalytic leverage, as measured by outcome 2.

31. At the policy level, UNCDF will continue to highlight the importance of local governments and local finance systems in responding to global challenges. It will contribute to relevant policy fora and strengthen relations with local government associations, networks, and financing agencies.

32. Through its data and analysis, demonstration effects, and advocacy, UNCDF will support policy change that leads to improved local government financing systems and legislation. UNCDF will collaborate with public and private partners that can adapt, replicate, and scale what works.

33. *Financial inclusion* contributes to broader development goals, and is reflected in targets under seven of the sustainable development goals. Less than 27 per cent of adults in least developed countries have bank accounts; women are more financially excluded than men; and the financing gap for micro, small and medium-sized enterprises is particularly wide. UNCDF concentrates on building inclusive financial systems that reach excluded and under-banked populations and small and medium-sized enterprises. Increasing access to financial services can help people move out of poverty, grow businesses, and reduce inequality.

34. Through its market systems approach,[7] UNCDF will work with financial service providers while creating enabling environments to reach underserved populations and market segments, especially women, youth, and micro, small and medium-sized enterprises.

FSP = financial service provider; MNO = mobile network operator; FI = financial inclusion

35. Central to building inclusive financial markets is helping least developed countries develop appropriate ecosystems, where policies, infrastructure, providers, distribution and client-centric approaches are strengthened in a mutually reinforcing way. By helping to build strong ecosystems, UNCDF is creating a foundation upon which innovative financial inclusion models can be tested and scaled up.

36. Digital innovations have revolutionized the way financial services are provided and used, and have created new business models to expand access to basic goods and services. Leveraging this digital revolution, UNCDF will seek to address a growing range of 'real economy' challenges linked to the sustainable development goals, such as improving agriculture productivity for smallholder farmers and value chain actors, enabling access to clean energy and other basic services, or supporting micro-, small and medium-sized enterprise growth, including in such sectors such as the 'fintech' industry. These interventions will especially target women and youth.

37. UNCDF has developed data-driven diagnostics that reveal markets and trends, and empower governments to define financial inclusion strategies tailored to their circumstances and needs. These tools create strong national platforms for donor coordination and private sector engagement. UNCDF will continue to deploy such approaches, building capacities and reinforcing coordination among stakeholders, especially regulators and financial service providers.

38. On the supply side, UNCDF will use its capital tools and technical assistance to incentivize financial services providers to design and deliver client-centric product innovations using alternative delivery channels – such as rural agents, mobile phones, point-of-sales devices, and informal community groups – to reach underserved populations, especially women, youth, and smallholder farmers.

[7] The UNCDF definition is broadly in line with the market systems approach to financial inclusion proposed by the Consultative Group to Assist the Poor. *A market systems approach to financial inclusion: Guidelines for funders*. Washington DC: CGAP, (2015).

39. UNCDF places a strong emphasis on savings, as well as insurance, credit, domestic payments and remittances. It is increasingly working with new actors, such as 'fintech', mobile network operators, and new technologies, especially digital financial services. This is in line with sustainable development goals targets on financial inclusion, including 8.3, 8.6, 8.10, and 9.3 on expanding access to financial services for households and small and medium-sized enterprises, and integrating the latter into value chains.

40. UNCDF will support small and medium-sized enterprises, including social enterprises that have business ideas with potentially high social returns and market impact, but are struggling to raise early-stage capital. A prime example is UNCDF work with energy service companies to expand access to efficient cook-stoves and solar home systems through 'pay-as-you-go' models. Such approaches address high up-front retail costs that prevent poor people from accessing off-grid alternatives, responding to targets 7.1 and 7.b on increasing access to affordable energy services.

41. Remittances are a growing part of the sustainable development goals financing equation and UNCDF work. Their importance is captured under goal 17.3 and its indicator (volume of remittances as a proportion of total gross domestic product) and goal 10.c (which calls for reducing the transaction costs of migrant remittances). UNCDF will work with governments and service providers to formalize remittance channels leveraging digital and fintech solutions to lower costs and link remittances to a wider range of financial services for senders and recipients.

42. Based on its successful experience with digital payments in the Ebola crisis, UNCDF will expand its work on financial inclusion in fragile and post-crisis contexts, focusing on refugees and forcibly displaced people through its partnership with the Office of the United Nations High Commissioner for Refugees. UNCDF will help least developed countries make preparedness investments in digital infrastructure, strengthen their capacity to deploy emergency payment solutions, and build longer-term resilience solutions for affected populations.

43. On the demand side, UNCDF assists financial service providers in using human-centred design to understand the needs of women, men, and youth, and develop appropriate products and services. When combined with building client capabilities and client protection, this approach leads to greater usage and more benefit to clients. UNCDF will expand its work on client capabilities and protection, focusing increasingly on digital finance deployments.

44. Between 2014 and 2016, UNCDF partnered with over 130 institutions and supported the innovation of 98 financial products and services. The financial service providers reached some 14 million clients in 2016 alone. Under the ideal resource scenario, UNCDF has the potential to partner with some 320 financial service providers, with diversified financial products reaching up to 35 million clients annually.

45. UNCDF seeks to make financial market systems work for women by expanding the supply of responsible financial products that respond to the specific needs of women and girls; supporting policies and regulations that enhance women's access and agency in regard to financial services; and addressing constraints that limit women's and girls' access to, usage of, and control over benefits from financial services, particularly in ways that contribute to their greater economic empowerment and participation. This is a direct response to sustainable development goals targets 1.4, 5.a and 5.b.

46. UNCDF hosts the secretariat of the Better Than Cash Alliance. This reflects its strong stake in one of the critical issues driving financial inclusion: transitioning from cash to electronic payments. Continued advocacy by the Alliance, including on responsible digital payment guidelines, is advancing global recognition of how digitizing payments can benefit individuals, businesses, and governments. The Alliance supports its member governments, private sector actors, and development organizations in achieving the sustainable development goals by moving from cash to digital payments. UNCDF will continue to support the Secretary-General's Special Advocate for Inclusive Finance for Development, H.M Queen Maxima of the Netherlands, whose work remains instrumental in raising, at the highest levels of decision-making, the importance of financial inclusion as a vehicle to improve lives and development outcomes.

Outcome 2. Unlocked public and private finance for the poor

47. Unlocking public and private finance for inclusion is at the heart of the UNCDF comparative advantage as an early stage 'de-risker', helping least developed countries leverage official development assistance for wider sustainable development goals financing. This relates particularly to goals 1.a, 10.b, and 17.3, on mobilizing additional financial resources from multiple sources, especially for least developed countries.

48. In line with goal 17.1, UNCDF will work to strengthen domestic resource mobilization, which reduces dependency on often-volatile external flows, helps build economic resilience, and gives least developed countries greater policy space to define their goals and the means to attain them. The 'unlocking' work of UNCDF covers both financial and catalytic leverage.

49. *Financial leverage* refers to the complementary finance mobilized for the innovations directly supported by UNCDF. On local development finance, through its work on public finance, UNCDF seeks to increase resource transfers to local governments while helping them increase own-revenue generation. Through its private finance work, UNCDF seeks to increase the amount of domestic finance invested outside capital cities, and to help local governments leverage and manage different sources of capital to build prioritized projects, many of which have long remained unfunded.

50. To demonstrate to investors the economic viability of funding local projects with transformative impact, UNCDF will continue working with local governments and the private sector to de-risk and build bankable projects. In some cases, this may result in the successful financial closure of projects with investments from domestic banks or pension funds. In others, UNCDF will explore new mixes of guarantees, concessional loans, and technical assistance to create the financial leverage. This can include deploying financial instruments such as municipal bonds or retail investment bonds that can attract diaspora funding for local infrastructure.

51. Access to formal financial services increases financial intermediation by putting domestic resources into productive circulation. Financial inclusion supports household resilience, enabling greater engagement in income- and employment-generating activities for women in particular. UNCDF seed capital in a financial service provider is leveraged by its own equity or that of other investors to expand and scale up its services.

52. UNCDF interventions have follow-on and scaled-up impact through their *catalytic leverage*. This refers to additional finance mobilized by local actors as a result of the models and capacities originally supported by UNCDF. UNCDF interventions spur the creation of national systems and platforms that can attract investors and unlock additional finance on an ongoing basis. This is connected with UNCDF work in moving from innovation to scale.

53. A mix of factors contributes to successfully scaling up UNCDF-supported models: a willingness to take risks and pivot approaches as the market evolves; the ability to learn dynamically and respond to lessons; a recognition by UNCDF and its funding and implementing partners that shifting behaviours and financing flows require patience and often extends beyond single planning cycles; and decades-long partnerships with a range of public and private actors through which UNCDF is able to leverage its results to inform national policies and programmes that can scale successes.

54. In local development finance, UNCDF will continue to collaborate with governments and other partners, often through multiple generations of innovations, first to create viable models and then to help them scale approaches to fiscal decentralization, project finance, and municipal finance. This can lead to increased local revenue through taxes and fees – as well as second-round effects through growing local economies – as can UNCDF work building the capacities of local authorities to improve the accountability of their tax administration.

55. As an example, UNCDF invested $10 million in core funding to pilot and test local development finance approaches in Bangladesh over 15 years. What began in 2000, in one of the 64 districts, was eventually scaled up across the country by the World Bank with $720 million and government funds. In 2016, a donor government provided an additional $400 million to continue expanding the nationwide scale-up. Similar leverage occurs in most local development finance programmes.

56. UNCDF support to financial service providers and other partners seeks a demonstration impact that will help other service providers to replicate successful innovations. By creating safe spaces for piloting smart products and delivery channels – such as the innovation labs in Uganda and the Pacific – UNCDF helps unlock the balance sheets of large commercial actors to reach the un-and under-banked with new services.

57. For example, a regional programme in Africa focused on youth financial inclusion. It led to 730,000 young people saving some $20 million, with $16 million in loans being issued to 125,000 young entrepreneurs, over half of them women. Nine out of 10 partner financial service providers made youth products an ongoing feature in their offering, reaching new clients and mobilizing additional savings.

58. Expanding financial inclusion can support overall economic growth,[6] create more stable financial systems and economies, and boost government revenue and fiscal space. Moving from cash to digital payments can reduce costs, improve transparency, expand financial inclusion, and open up new economic opportunities.[7] Mobile money has significant poverty reduction benefits, especially for female-headed households.[8]

59. *Catalytic leverage* typically evolves beyond the annual or project-life measurement cycle. To capture it, UNCDF will deploy more thematic and impact evaluations and conduct case studies that take a wider view of an intervention and how it attracts follow-on finance over time.

60. Supporting countries to engage in ***South-South and triangular cooperation*** around local finance solutions will be emphasized across both outcomes by:

(a) Helping regional groups (such as the Association of Southeast Asian Nations, the Southern African Development Community, the West African Economic and Monetary Union, and the Pacific Small Island Developing States) expand the reach of financial inclusion, including through multi-country approaches to remittances, data and analytics, refugees;

(b) Facilitating knowledge exchanges on issues including reaching out to un- and under-banked populations; applying digital finance solutions; and moving from cash to electronic payments; and

(c) Bringing policymakers, experts, local authorities, and the private sector together to shift resource allocation dynamics in favour of subnational levels for action on, for instance, local climate adaptation; municipal finance; and local infrastructure.

61. Crossing the least developed country graduation threshold may not in itself change the living conditions for millions of people, and will require *smooth transition* support. Five countries where UNCDF has a presence are in various stages of the graduation process: Bhutan; Nepal; the Solomon Islands; Tuvalu; and Vanuatu. Other countries might meet the graduation criteria for the first time in 2018; if their progress is sustained, graduation would be as early as 2024.

62. The UNCDF approach will be based on demand; will assure that relevant existing programmes can proceed through to completion; and will be time-bound, to follow a '3+2' approach. This would see programmes funded as they were prior to graduation for an initial three years. Assuming continued development progress, funding for the remaining two years of support would be sought from government or third-party cost-sharing on a 50/50 basis.[9]

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[6] See, for example, *Financial Inclusion: Can It Meet Multiple Macroeconomic Goals?* IMF discussion note, September 2015.

[7] A study found that the Mexican Government is saving an estimated $1.27 billion per year by shifting to electronic distribution for many government payrolls, pensions and social benefits. *Sustained Effort, Saving Billions: Lessons from the Mexican Government's Shift to Electronic Payments*, Better Than Cash Alliance, November 2013.

[8] Mobile money has lifted some 2 per cent of the Kenyan population out of poverty, and has improved the economic lives of poor women and members of female-headed households. *The long-run poverty and gender impacts of mobile money*. Science, December 2016.

[9] General Assembly resolution 67/221 on smooth transitions "[i]nvites United Nations entities that have committed to allocating a certain percentage of their resources to least developed countries to consider the extension and gradual phasing-out of least developed country-specific support to graduated countries for a fixed period of time in a predictable manner and applied according to the specific development situation of each graduating country."

V. Partnerships and financing model

63. UNCDF has a four-window funding architecture to drive its innovation-to-scale approach and make maximum use of its technical assistance and block grants, loans, and guarantees.

64. As window one, core resources are the bedrock of the UNCDF business model, providing the technical expertise and flexible risk capital to innovate, pilot, and start achieving leverage. A core resource base that is right-sized and fit for purpose is the essential fuel UNCDF needs to maintain its recognized positioning within its peer networks, assure country presence in the maximum number of least developed countries, and stay at the forefront of last-mile finance innovations.

65. Funding windows two (Last-Mile Finance Trust Fund) and three (earmarked non-core) assure UNCDF the non-core resources to build robust, scalable programmes at country and multi-country levels, building on the core and creating meaningful scale to achieve demonstration effect across different country and local settings; influence policy and regulatory environments; and 'crowd-in' other interested partners.

66. To help least developed countries benefit from the application of innovative finance instruments at the local level, funding window four – the LDC Investment Fund – provides the additional investment capital for UNCDF to build investible pipelines, reduce the risks of investment opportunities, and demonstrate business model viability across a larger number of initiatives. UNCDF has already identified around 60 catalytic projects to feed into this investment pipeline over the next two years. Under an ideal resource scenario, with a fully capitalized LDC Investment Fund, UNCDF could support up to 400 investable projects over the next four years. UNCDF risk capital could 'crowd-in' up to 20 times additional funding for an individual investment.

67. With predictable funding in these four areas, UNCDF can also be a more catalytic and strategic partner to governments, UNDP (including in support to its country platform approach), and the wider United Nations development system in testing innovative finance approaches. The strategic and ideal scenarios can help drive this more robust positioning. The baseline scenario, by contrast, allows presence in fewer least developed countries and restricts strategic engagement in some countries where UNCDF has limited project funding.

68. UNCDF aims to build a loan portfolio that can attract more public and private investors into the 'last mile' in least developed countries. Funds generated from loan repayments would be on-lent to new borrowers, supporting a bigger pipeline of bankable initiatives compared to one-off grants.

69. Different results-to-resources scenarios project anticipated annual results under pessimistic, baseline, strategic, and ideal scenarios. Under the ideal scenario, UNCDF would have annually $25 million core, $75 million in non-core, and a $50 million LDC Investment Fund.

70. Under that scenario, UNCDF can be present in up to 40 least developed countries. If called upon by the United Nations system and funded to do so, UNCDF will be available to support United Nations efforts to apply blended finance approaches across the sustainable development goals at the local level.

Table 1. Indicative income and results-to-resources scenarios

Scenarios	Pessimistic (-20%)	Baseline	Strategic	Ideal
Resource projections				
Total	**$ 46m**	**$ 58m**	**$ 95m**	**$ 150m**
Core	$ 11m	$ 13m	$ 19m	$ 25m
Non-core	$ 35m	$ 45m	$ 66m	$ 75m

LDC Investment Fund			$ 10m	$ 50m
Indicative implications of different resources levels on people and partners reached (sample programme annual results projections)				
Strategic least developed country (LDC) presence	<15 LDCs	Currently 30 LDCs, but 8-9 LDCs at risk	30 LDCs	40 LDCs
People reached*	5 million	16 million	27 million	45 million
Partnerships	Support 20 financial service providers (FSPs) and 570 local governments (LGs)	Support 134 FSPs and 854 LGs	Support 200 FSPs, 1,740 LGs, and 20 investment pipeline projects	Support 320 FSPs, 2,415 LGs, and up to 100 investment pipeline projects

* *Based on number of financial service clients from UNCDF-supported financial service providers and estimated beneficiaries from UNCDF-supported local infrastructure investments.*

71. Achieving expanded UNCDF results would be cost efficient: the relatively fixed costs of corporate infrastructure, such as capital assets and human resources, would support a higher level of activity without proportional increases in overhead costs.

72. ***Working with United Nations and multilateral partners.*** UNCDF will work with other United Nations entities to introduce more integrated approaches to making finance work for inclusion.

73. *Collaboration with UNDP.* The synergies between UNDP and UNCDF are designed to bring maximum benefit to least developed countries. UNCDF local finance solutions and subnational focus are a natural counterpart to the UNDP global presence, upstream policy advice, and support for the sustainable development goals at the country level. Both entities share the overarching objective of eradicating poverty and reducing inequalities and exclusions. At the programmatic level, UNCDF has nearly 20 joint programmes with UNDP, which comprised well over a quarter of its 2016 expenditure. UNDP provides a range of operational and administrative support services to UNCDF in the areas of finance, procurement, human resource management, and information technology, including through its enterprise resource planning system. The UNDP Strategic Plan, 2018-2021, presents a strong platform for closer collaboration between the two organizations.

74. *Within the United Nations development system.* UNCDF collaborates with other entities where the combination of its capital tools and expertise and the sector or thematic knowledge of other organizations can help tackle last-mile exclusions and have transformative impact. Partnerships include:

(a) UNDP and UN-Women, on unlocking capital for women's economic empowerment and entrepreneurship;

(b) UNDP to expand financial inclusion in the Pacific;

(c) The Food and Agriculture Organization, on agriculture finance;

(d) The International Fund for Agricultural Development, on remittances;

(e) UN-Habitat and the Department of Economic and Social Affairs, on municipal finance in secondary cities in least developed countries;

(f) UN-Women, on women and girls' access to, usage of, and control of benefits from financial services; and

(g) The Office of the United Nations High Commissioner for Refugees, on a technical assistance fund for introducing digital financial solutions that benefit forcibly displaced populations and host communities.

75. At the programme country level, UNCDF will engage in United Nations Development Assistance Framework processes, country-level results groups, and joint programmes and initiatives, as financing for country presence allows. UNCDF will continue to engage in inter-agency processes at headquarters and regional levels.

76. As more organizations look to support innovative financing solutions, UNCDF can play a key role as incubator for new financing models and ideas, and support the rest of the United Nations system to replicate what works. This could include identifying opportunities for attracting financing from capital markets for development initiatives, and working with public and private investors to direct sustainable development goal-friendly asset classes towards the 'last mile' in least developed countries. It could also include building on UNCDF collaboration with UNDP and other organizations to understand where entrenched barriers exist across a wider range of development issues and sustainable development goals, and innovating tailored finance solutions. This could include work in the peacebuilding space, and/or addressing populations on the move.

77. UNCDF and the Better Than Cash Alliance have developed first-rate advocacy, research, and technical expertise on digitizing payments. Both are successfully helping governments transition towards sustainable digital economies and reap the benefits of digitization, including cost savings, increased transparency, and better service delivery mechanisms to beneficiaries. To build an inclusive digital payments ecosystem, UNCDF works with the private sector to improve the technology, distribution, and product design to reach low income people. A growing number of United Nations organizations are joining the Better Than Cash Alliance and committing to digitized payments; where appropriate, UNCDF and the Alliance can apply their expertise to help United Nations organizations drive costs down, increase efficiencies, and support achievement of the sustainable development goals through the transition to digital finance services.

78. *International finance institutions and other financial institutions*. UNCDF combines the attributes of a development organization and a financial institution, using a calibrated, risk-informed mix of instruments to develop finance solutions that address last-mile needs in least developed countries. UNCDF is present at the sub-sovereign level, which is typically 'below the radar' of international financial institutions, either because of the risk profile or size of project. This provides ground for collaboration, already well tested with the World Bank, to take proven models (such as fiscal decentralization) to scale.

79. UNCDF will continue to engage with these partners to maximize replication and scale potential, including collaborating with regional banks on market development in financial inclusion and ecosystems for digital payments. UNCDF will seek to partner strategically with international financial institutions in deploying financial instruments in ways that harness the respective collaborative advantages of each entity in support of least developed countries.

80. *Harnessing the power of the private sector and foundations*. UNCDF will continue to work with a wide range of private sector actors as innovators, implementing partners, and possibly funders. This includes investing and partnering with financial service providers; mobile network operators; domestic banks; pension funds; small and medium-sized enterprises; foundations; and impact and other investors to expand the reach of finance in local economies.

81. At the same time, UNCDF is working with least developed countries to access more finance for local development. This may include partnering with impact investment firms to create vehicles for directing sustainable development goal-positive finance to least developed countries; incentivizing domestic banks and pension funds to invest in local economies; and attracting financing from family offices and foundations to co-invest in UNCDF development and pipeline projects. It may also include organizing platforms that explore the sequencing of official development assistance, concessional, and commercial capital in the 'last mile', including UNCDF risk capital, Member State grant financing, seed funding from foundations, and return-seeking capital from impact, and philanthropic investors. To enhance last-mile development results in least developed countries, UNCDF may also seek to leverage its own resources by managing other investors' funds in line with their objectives of achieving financial and social returns.

82. ***Gender-responsive budgeting and programming.*** UNCDF has a theory of change that charts results pathways to promoting gender equality and women's economic empowerment (see annex 3). This will help track commitments to empower women and improve the targeting of interventions. Programme results frameworks will continue to include sex-disaggregated indicators, and UNCDF will continue implementing and reporting on the System-wide Action Plan on Gender Equality and the Empowerment of Women.

VI. Operational effectiveness and efficiency

83. UNCDF strives to be an adaptive organization, identifying continuous business change requirements, informed by performance data, and delivering high-quality programmes and value for money. The Strategic Framework identifies three enablers to ensure that UNCDF has the systems, staff, and tools to deliver excellent, relevant, and credible results.

84. *Management.* UNCDF will continue to invest the majority of its resources in least developed countries. So that programmes deliver high-quality results, UNCDF continuously refines its management services to be client-focused, providing efficient support in procurement, finance, and human resources while supporting robust programme design and delivery against approved budgets. The integrated results and resources matrix (annex 1) includes a management-efficiency ratio which looks at the percentage of total UNCDF expenditure related to management activities; for 2016, the figure stood at 10 per cent, down from 14 per cent in 2014.

85. In line with the results-based measurement review findings, UNCDF will make better use of its programme finance data to inform programme decision-making and grants management, and strengthen its data and information systems.

86. Essential to ensuring that its interventions are replicable, UNCDF promotes accountability for results at all levels. This includes ensuring timely implementation of internal and external audit recommendations, and actions agreed in management responses to evaluations; and greater attention to risk management in line with the updated enterprise risk management policy. UNCDF will continue to meet International Aid Transparency Initiative standards, and will more frequently make data on results and resources publicly available.

87. The integrated results and resources matrix has been strengthened to allow better monitoring of results and results-to-resources linkages. UNCDF will strengthen its results-based management and budgeting systems and capacities at all levels to improve performance. This will include further developing institutional systems to link the matrix with project results frameworks and facilitate integrated monitoring and reporting. In line with evaluation findings, UNCDF will continue to ensure that programmes have the right knowledge and partnership strategies in place to strengthen national ownership, and drive a sustainable shift from innovation to scale.

88. UNCDF will focus on enhancing the capacities of key systems at the country level, including information management and accountability systems, to provide more timely, better-quality information to decision makers. UNCDF works with local governments to help them apply the subnational public expenditure and financial accountability framework in accordance with the global standard and use it to improve their investment decisions. UNCDF will ensure that financial inclusion implementing partners use industry-accepted standards; this will support stakeholders in accessing relevant data on their performance.

89. UNCDF is developing country-based value propositions that offer integrated interventions, drawing on all relevant tools, to maximize support for least developed country priorities within overall United Nations responses.

90. *People.* A talented, engaged staff, with deep finance knowledge and expertise on how to design excellent programmes and implement blended approaches in least developed countries, remains the greatest asset of UNCDF. Fully-funded programmes are magnets for recruiting high-quality staff – as are competitive terms of service, since much UNCDF talent comes from the private sector.

91. UNCDF will continue to ensure that staff are equipped to deliver on goals; foster a culture of continuous learning; and strengthen skills for strategic engagement with new partners, including foundations, development banks, and the private sector. The aim is to create an environment that allows everyone to contribute to their full potential.

92. UNCDF will strengthen its skills base related to applying diversified financing instruments and in areas where local finance solutions can remove barriers to sustainable development goals achievement. This includes such areas as remittances, youth employment through financial inclusion, and municipal finance.

93. In line with the quadrennial comprehensive policy review, UNCDF will continue working to achieve gender and geographic balance in appointments at all levels.

94. *Knowledge, thought leadership, communications, and advocacy.* Strengthening its position as a knowledge leader and advocate for last-mile finance is instrumental to the UNCDF approach. In line with findings from the results-based measurement review and evaluations, this will require continued investment in knowledge codification and sharing, and information management, including within peer networks, where UNCDF is a recognized leader in its fields of competence.

95. UNCDF will collaborate with local authorities' networks to support peer-to-peer exchanges and enhance their voice in global forums. It will work with financial inclusion funders and actors to share lessons and ensure that UNCDF practices respond to evidence and remain top-of-class as the field evolves. Investing in knowledge management is important in ensuring that pilots inform policy, replication, and scale potential.

96. UNCDF will invest in a more robust thought leadership role. This will include developing flagship publications and convening partners to create momentum around blended finance approaches in least developed countries.

97. UNCDF will continue to invest in external communications and advocacy through events, publications, and new web-based, digital, and social media tools, including its revamped website.

VII. Risk management

98. There are several risks and opportunities surrounding the roll-out of the Strategic Framework. These relate to the mobilization of required resources and the related UNCDF country footprint; and the potential for further fragmentation of funding streams and capital instruments within the wider United Nations development system.

99. The behaviour transformations required to get the right mix of international and domestic, public and private capital instruments lined up to make finance work for inclusion at the local level can take time. Impact will be gradual and may not always be successful at the first attempt.

100. The institutional enablers and partnership strategies are designed to mitigate some of these risks through their emphasis on flexibility and agility in systems; human resources; programme management and monitoring; performance-based funding; and management arrangements. A 'deal' on programme resources and partnerships will be essential to mitigate unpredictability in the funding base, as official development assistance and grant funding remain essential to the successful deployment of blended finance models in the 'last mile' of least developed countries.

101. In diversifying its financing tools and applying them, UNCDF faces risks related to right-sizing our capacities to identify pipelines best suited to blended finance models, and generating sufficient deal flow. UNCDF is ensuring that it has fit-for-purpose policies; stringent risk management, accountability, and oversight frameworks; a growing pool of specialist expertise to source and manage an investable pipeline; information and communications technology systems; robust due-diligence processes; and other necessary back-office functions. A detailed discussion of the risks and mitigating strategies is described in the theory of change (annex 2).

VIII. Monitoring and evaluation

102. The results framework outlines the impact-, outcome-, and output-level indicators of the Strategic Framework. Baselines, annual milestones, and end-of-cycle targets for outcome and output indicators will track UNCDF contributions.

103. There will be an emphasis on rigorous monitoring and evaluation to capture, share, and improve how UNCDF goes from innovation to scale, and on how it makes finance work for women and girls in particular, looking, inter alia, at issues around access, usage, agency, and participation. UNCDF will work with partners on impact and thematic evaluation approaches that consider the long-term effects of access to finance on the lives and livelihoods of women and, more broadly, the development of the communities in which they live. The annual report of the Executive Board will be the vehicle for reporting on progress towards the Strategic Framework targets. The midterm review will provide opportunities for reflection and adjustment, including in response to the outcomes of the quadrennial comprehensive policy review follow-up processes.

104. In line with its commitments under the UNDP evaluation policy, UNCDF will continue to conduct external independent evaluations of programmes and projects. Achieving the ideal core resource targets could contribute to an increase in the evaluation capacity and coverage of the programme. The UNCDF evaluation unit and the UNDP Independent Evaluation Office will continue to collaborate on evaluation quality and approaches. Discussions are under way with the Independent Evaluation Office to provide for an independent final evaluation of the present Strategic Framework. A four-year evaluation plan, the first two years of which are costed, comprises annex 4.